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LEGISLATIVE HISTORY

Public Law 86-704
H. R. 12619

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INDEX AND SUMMARY OF H. R. 12619

June 13, 1960 H. Appropriations Committee reported H.R. 12619 without amendment. H. Report No. 1798. Print of bill and report.

June 16, 1960 House began and concluded debate.

June 17, 1960 House passed H. R. 12619 with amendments.

June 18, 1960 H.R. 12619 was referred to the Senate Appropriations Committee. Print of bill as referred.

Aug. 19, 1960 Senate committee reported H. R. 12619 with amendments. S. Report No. 1849. Print of bill and report.

Aug. 23, 1960 Senate began debate on H. R. 12619.

Summary of H. R. 12619 as reported by Senate Committee.

Aug. 24, 1960 Senate passed H. R. 12619 with amendments. Print of bill as passed by Senate.

House and Senate conferees appointed.

Aug. 25, 1960 House received conference report on H. R. 12619. H. Report No. 2164. Print of report.

Aug. 26, 1960 Both Houses agreed to the conference report.

Sept. 2, 1960 Approved: Public Law 86-704.

INDEX AND SUMMARY OF THE REPORT

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DIGEST OF PUBLIC LAW 86-704

MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATION ACT, 1961.

Provides \$150 million for technical cooperation, \$230 million for special assistance, \$2 million for payment of ocean freight charges to move supplies donated to and by U. S. voluntary agencies, and \$550 million for the Development Loan Fund. Provides that none of the funds appropriated for Defense Support, the Development Loan Fund, Special Assistance, or the President's Special Authority and Contingency Funds shall be used to finance the construction of any new flood control, reclamation, or other water or related land resources project or program which has not met the standards and criteria used in determining the feasibility of such projects in the U. S. Authorizes the use of funds appropriated for loans in underdeveloped nations to associations of operators of small farms for the improvement of agricultural methods and techniques, and for a study of the need for a Point Four Youth Corps to train young people to serve abroad in programs of technical cooperation. Provides funds to the Department of the Army for administration of the Ryukyu Islands, and authorizes expenditures by the Export-Import Bank of Washington.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of June 13, 1960
86th-2d, No. 107

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HIGHLIGHTS: Conferees agreed to file conference report on agricultural appropriation bill. House committee reported mutual security appropriation bill. Sen. McCarthy introduced and discussed farm labor bill.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1961. The "Daily Digest" states that conferees agreed to file a conference report on this bill, H. R. 12117. p. D543
2. CIVIL DEFENSE; OCDM. Both Houses received the annual report of the Office of Civil and Defense Mobilization. pp. 11486, 11601
3. CREDIT UNIONS. Both Houses received a report on a study made by the Director of the Bureau of Federal Credit Unions on the desirability of providing for federally chartered central credit unions. pp. 11486, 11601
4. MUTUAL SECURITY APPROPRIATION BILL, 1961. The Appropriations Committee reported without amendment this bill, H. R. 12619 (H. Rept. 1798). p. 11601
Rep. Arends urged the Appropriations Committee to provide the funds requested by the President for mutual security stating it is a "question of our own safety ... a fundamental part of our own defense." p. 11569
Reps. Gross and Hays supported cuts in the mutual security appropriations. pp. 11569-70
Rep. Coffin made an "informal report" on the "operations and structure of the Development Loan Fund" stating it has "strategic importance" and urging Congressional support. pp. 11591-4

5. PERSONNEL. Received the President's veto message on H. R. 7577, providing for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment (H. Doc. 415). p. 11570

A subcommittee of the Post Office and Civil Service Committee voted to report to the full committee H. R. 7810, to credit periods of internment during World War II to certain Federal employees of Japanese ancestry for retirement and annual and sick leave purposes. p. D542

Passed as reported H. R. 12520, to authorize Group Hospitalization, Inc., to enter into contracts with certain dental hospitals for the care and treatment of individuals. (p. 11576) Earlier the D. C. Committee reported this bill with amendment (H. Rept. 1792). p. 11601

SENATE

6. LEGISLATIVE BRANCH APPROPRIATION BILL, 1961. A subcommittee of the Appropriations Committee marked up and approved for full committee consideration this bill, H. R. 12232. p. D540
7. ADMINISTRATIVE ORDERS; FOOD ADDITIVES. The Judiciary Committee reported without amendment H. R. 7847, to make the uniform law relating to the record on review of agency orders applicable to the judicial review of orders issued under the Federal Aviation Act of 1958 and the Food Additives Amendment of 1958 (S. Rept. 1566). p. 11487
8. VEHICLE INSURANCE; EXTENSION SERVICES. Both Houses received from this Department a proposed bill to facilitate the administrative operations of this Department by authorizing the Department to purchase insurance coverage on its vehicles in foreign countries, and to extend authority to use Federal supply schedules and GSA stores to the State Extension Services; to S. Agriculture and Forestry and H. Agriculture Committees. pp. 11486, 11601
9. SUGAR. Received from this Department a proposed bill to amend the Sugar Act of 1948 for the purpose of deleting the words "the Territory of" in the light of the admission of the State of Hawaii into the Union; to Finance Committee. p. 11486
10. PERSONNEL; TAXATION. Conferees were appointed on H. R. 4283, to amend the District of Columbia Income and Franchise Tax Act of 1947 so as to provide that certain officers of the executive branch of the Federal Government appointed by the President and confirmed by the Senate shall be exempt from the act. House conferees have already been appointed. p. 11560
11. RECLAMATION. Received a message from the President returning, as requested by the House and Senate, the enrolled bill S. 1892, to authorize the Secretary of the Interior to construct, operate, and maintain the Norman, Okla., reclamation project. p. 11485
12. FEDERAL AID. Sen. Bridges inserted an editorial and an article discussing Federal aid programs, including a table prepared by the Tax Foundation, Inc., listing Federal grants for agriculture and other purposes. pp. 11510-11
13. FOREIGN AID. Sen. Engle urged that the U. S. provide greater economic assistance to the countries of Asia. pp. 11553-7
14. FARM PROGRAM. Several Senators paid tribute to Senator Martin, who is retiring from the Senate after this session of Congress, including his service to agriculture. pp. 11513-21

MUTUAL SECURITY AND RELATED AGENCIES
APPROPRIATION BILL, 1961

JUNE 13, 1960.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. PASSMAN, from the Committee on Appropriations, submitted the
following

R E P O R T

[To accompany H.R. 12619]

The Committee on Appropriations submits the following report in
explanation of the accompanying bill making appropriations for
Mutual Security and related agencies for the fiscal year ending June
30, 1961.

SUMMARY OF THE BILL

The budget estimates for the Mutual Security Program considered
by the Committee are contained in the 1961 Budget on pages 88-97
and 515-519, and total \$4,175,000,000. Language is also included in
the Budget requesting the reappropriation of the unexpended funds
remaining available on June 30, 1960.

In addition, the Committee considered a budget estimate of
\$6,704,000 for the costs of administration of the Ryukyu Islands, and
a request of \$2,675,000 as a limitation on the administrative expenses
of the Export-Import Bank of Washington. These two items are
contained in the 1961 Budget on pages 551 and 130-132 respectively.

The accompanying appropriation bill for fiscal year 1961 recom-
mends \$3,384,500,000 in new appropriations for the Mutual Security
Program, a reduction of \$790,500,000 below the budget estimate.

For the Ryukyu Islands the bill contains \$5,250,000, a reduction of
\$1,454,000 below the budget estimate.

The following table sets forth by titles of the bill a comparison of the budget estimates and the appropriations recommended for fiscal year 1961.

Title	Agency	Estimates	Recommended	Bill compared to estimates
I	Mutual Security Program	\$4, 175, 000, 000	\$3, 384, 500, 000	-\$790, 500, 000
II	Ryukyu Islands, Army	6, 704, 000	5, 250, 000	-1, 454, 000
III	Export-Import Bank	(2, 675, 000)	(2, 675, 000)	-----
	Total	4, 181, 704, 000	3, 389, 750, 000	-791, 954, 000

TITLE I—MUTUAL SECURITY

The tabulation below summarizes the action of the Committee on the major items of the Mutual Security Program. A detailed comparison is at the end of this report.

Item	Estimates	Recommended	Bill compared to estimates
Military assistance	\$2, 000, 000, 000	\$1, 600, 000, 000	-\$400, 000, 000
Defense Support	724, 000, 000	600, 000, 000	-124, 000, 000
Technical Cooperation	206, 500, 000	184, 500, 000	-22, 000, 000
Special Assistance	268, 500, 000	206, 000, 000	-62, 500, 000
Other Programs	101, 000, 000	94, 000, 000	-7, 000, 000
Contingency Fund	175, 000, 000	150, 000, 000	-25, 000, 000
Development Loan Fund	700, 000, 000	550, 000, 000	-150, 000, 000
Total	4, 175, 000, 000	3, 384, 500, 000	-790, 500, 000

FUNDS AVAILABLE

In addition to the \$3,384,500,000 recommended in the bill for fiscal year 1961 there is an estimated \$52,514,000 in unobligated funds as of June 30, 1960 which the Committee has reappropriated. The unobligated funds in the Development Loan Fund are estimated to be \$326,398,000, of which \$298,850,000 is in the nature of "committed" funds. These unobligated funds in the DLF automatically carry over into fiscal year 1961 under existing legislation. The Development Loan Fund will also have approximately \$38,000,000 in receipts which, under the provisions of section 204(a) of the Mutual Security Act of 1954, as amended, is available for making additional loans. The Military Assistance Program also estimates that it will have approximately \$40,000,000 in military credit sales receipts which will be available for obligation under existing legislation. In summary, the Mutual Security Program will have \$3,841,412,000 available for obligation in the coming fiscal year.

There is also available to the Mutual Security Program for obligation and commitment approximately \$1,850,144,000 in local currencies. Of this amount, the Mutual Security Program estimates it will obligate or commit \$1,344,011,000 in local currencies in fiscal year 1961 as follows:

Local currency:	Amount
MSP (U.S.-owned)	\$125, 104, 000
Counterpart (country-owned)	671, 086, 000
P. L. 480 Title I (U.S.-owned)	545, 519, 000
Other (country-owned)	2, 302, 000
Total	1, 344, 011, 000

The Mutual Security Act of 1960 authorizes a total of \$1,366,200,000 to be appropriated in fiscal year 1961. Funds for the military assistance program, the Development Loan Fund, the Intergovernmental Committee for European Migration, the NATO Science Program, and State Department administrative expenses have been authorized in prior year authorization acts. The budget estimates for these 5 programs total \$2,720,100,000. Therefore, the total amount authorized to be appropriated for the Mutual Security Program in fiscal year 1961 is \$4,086,300,000.

The Committee recommends \$3,384,500,000 in new obligational authority, plus the reappropriation of unobligated balances available on June 30 estimated to be \$52,514,000. This is a reduction of \$790,500,000 below the budget estimate and \$701,800,000 below the authorization act for fiscal year 1961.

There is also available for obligation by the program the following reimbursements or receipts:

Military Assistance (Mutual Security Military Sales Collections)---	\$40, 000, 000
Development Loan Fund (Receipts from Operations)-----	38, 000, 000
Defense Support-----	600, 000
Bilateral Technical Cooperation-----	800, 000
Administrative Expenses, ICA-----	500, 000
Total-----	79, 900, 000

The recommended appropriation for 1961 of \$3,384,500,000, plus the dollar reimbursements noted above of \$56,200,000 (excluding \$23,700,000 in local currencies accumulating to the DLF), plus the estimated unexpended balance of funds on June 30, 1960, estimated to be \$4,713,665,000 will make available \$8,154,365,000 for expenditure in fiscal year 1961. The comparable figure on July 1, 1959, was \$8,111,521,750. Therefore, the Mutual Security Program will have available for expenditure in fiscal year 1961 approximately \$42,843,250 more than it had available in fiscal year 1960.

MILITARY ASSISTANCE

The stated purpose of this appropriation is to provide military equipment, training, supplies, and services to the military forces of certain countries in the fulfillment of United States national security objectives. The budget estimate of \$2,000,000,000 to provide such assistance was to be distributed by areas as follows:

Area:	Estimate
Europe-----	\$459, 139, 000
Africa-----	18, 180, 000
Near East-----	457, 928, 000
Far East-----	692, 335, 000
Latin America-----	67, 098, 000
Non-Regional-----	345, 320, 000
Total-----	2, 040, 000, 000
Less funding adjustment-----	—40, 000, 000
Total, Military Assistance-----	2, 000, 000, 000

The Mutual Security Act of 1959 authorized such sums as may be necessary for the continuation of the Military Assistance Program in fiscal years 1961 and 1962 and the President requested \$2,000,000,000 in his 1961 budget for this purpose.

The Committee recommends an appropriation of \$1,600,000,000, plus the reappropriation of unobligated balances remaining available

on June 30, estimated to be \$35,000,000. The recommended amount is \$400,000,000 below the budget estimate but \$300,000,000 above the amount appropriated for fiscal 1960.

The recommended amount of \$1,600,000,000, plus military sales receipts of \$40,000,000, and \$2,079,246,000 in unexpended funds as of June 30 will provide a total of \$3,719,246,000 for expenditure in fiscal 1961.

The Comptroller General of the United States submitted a report to the Congress dated February 29, 1960, and in testimony before the subcommittee stated:

The military assistance appropriation has been improperly charged for equipment that should be transferred at no charge because it was issued from excess stocks. Also, the military assistance program has been overcharged because prices of equipment transferred have not been appropriately adjusted in recognition of condition and market value. Defense regulations, procedures, and controls have been ineffective in preventing unauthorized reimbursements to the military services. * * *

We have recommended to the Secretary of Defense that adjustments for excessive prices previously charged MAP by the military departments be made or that specific relief from the applicable pricing provisions of the Mutual Security Act be obtained from the Congress with respect to these overpayments.

The amount of such overcharging and the date when such reimbursement will be made has not yet been determined. It is possible that this action could be taken during the fiscal year, in which event the military assistance program would have more funds available than is presently provided by this bill.

DEFENSE SUPPORT

Defense Support is defined as that economic assistance which is required, in addition to military assistance, in order to secure a specific contribution to the common defense by another country in which the United States military aid is helping to support significant military forces.

Such support is extended in two ways: One is by projects in major areas of the economy such as agriculture, forestry, fisheries, industry, mining, transportation, health, sanitation, education, public administration, community development, social welfare, and housing. A list of such nonmilitary defense support projects is on pages 2204-2207 of the hearings. The second way is by non-project support in which the United States finances imports of agricultural or industrial commodities or makes direct cash payments.

The following 12 countries are recipients of this type of aid:

Cambodia	Korea	Spain
China (Taiwan)	Laos	Thailand
Greece	Pakistan	Turkey
Iran	Philippines	Vietnam

The Budget proposed \$724,000,000 as an appropriation in fiscal 1961. The authorization act provides that not to exceed \$675,000,000 may be appropriated for this purpose.

The Committee recommends an appropriation of \$600,000,000, plus the reappropriation of \$2,500,000 in unobligated funds estimated to be available on June 30. The recommended amount is \$124,000,000 below the budget estimate, \$75,000,000 below the authorization for 1961, and \$95,000,000 below the appropriation for fiscal year 1960.

The recommended appropriation of \$600,000,000, plus \$758,001,000 in unexpended funds as of June 30 will provide a total of \$1,358,001,000 for expenditure in 1961.

Last year the Committee noted in its report that there was \$96,519,000 in unexpended funds previously appropriated for Development Assistance. The unexpended balance on June 30 this year in this appropriation is estimated to be \$57,769,000.

An example of the type of project financed by the Defense Support appropriation is the Highway and Bridge Construction project in Vietnam which was initiated in fiscal year 1955. The project is to assist the Vietnamese Government in the rehabilitation and modernization of the national highway system. The original project was to construct one highway at a cost of \$18,300,000. Subsequently, the scope of the project was broadened to include three highway routes and certain other work. The present estimate of cost through June 30, 1960, is \$61,778,000. The budget estimate for 1961 is \$6,950,000, with additional dollar costs after 1961 of \$4,000,000. In addition, through June 30, 1960, local currency expenditures are estimated to be \$48,781,000, and \$8,400,000 is proposed in fiscal 1961. The total cost of the project, therefore, including both dollar and local currency costs, is now estimated to be \$129,909,000, an increase of approximately 600% above the original cost estimate for the project.

TECHNICAL COOPERATION

Technical Cooperation is defined as a program for the international interchange of technical knowledge and skills through training, demonstrations, surveys, and similar activities designed to contribute primarily to the balanced and integrated development of the economic resources and productive capacities of economically underdeveloped areas.

The budget estimate and the authorization act approved \$172,000,000 for the United States bilateral program, \$33,000,000 for the contribution to the United Nations program and \$1,500,000 for the contribution to the Organization of American States programs.

The illustrative program of the United States bilateral technical cooperation program for fiscal year 1961 is as follows:

[Thousands of dollars]

Europe:		Far East:	
Spain	\$1, 000	Cambodia	\$2, 700
Yugoslavia	3, 000	China (Taiwan)	2, 400
Africa:		Indonesia	7, 500
Ethiopia	5, 000	Japan	1, 300
Ghana	1, 200	Korea	7, 500
Guinea	1, 000	Laos	1, 800
Liberia	2, 600	Philippines	3, 000
Libya	2, 500	Thailand	4, 300
Morocco	1, 000	Vietnam	4, 800
Nigeria	2, 100	Regional and undistrib-	
Somalia	1, 300	uted	700
Sudan	3, 300	Latin America:	
Tunisia	2, 200	Argentina	1, 130
Central and East Africa	855	Bolivia	2, 550
Other West Africa	1, 200	Brazil	7, 500
Regional and undistrib-		British Guiana	430
uted	45	British Honduras	150
Near East and South Asia:		Chile	2, 895
Afghanistan	4, 500	Colombia	2, 100
Ceylon	1, 700	Costa Rica	1, 290
Greece	650	Cuba	350
India	8, 900	Dominican Republic	280
Iran	5, 400	Ecuador	2, 300
Iraq	1, 000	El Salvador	1, 200
Israel	1, 100	Guatemala	2, 300
Jordan	1, 750	Haiti	2, 745
Lebanon	800	Honduras	1, 550
Nepal	1, 700	Mexico	720
Pakistan	7, 000	Nicaragua	800
Turkey	4, 400	Panama	1, 610
United Arab Republic	1, 800	Paraguay	1, 800
Central Treaty Organiza-		Peru	2, 800
tion	400	Surinam	415
Regional and undistrib-		West Indies and eastern	
uted	3, 600	Caribbean	1, 335
		Regional and undistrib-	
		uted	1, 250
		Interregional Expenses	23, 500

Technical cooperation, general authorization.—The budget estimate and the authorization act provide \$172,000,000 for this purpose. The Committee recommends an appropriation of \$150,000,000, a reduction of \$22,000,000 in the budget estimate and authorization amount. In addition, an estimated \$3,000,000 in unobligated balances is reappropriated. The appropriation for 1960 was \$150,000,000.

The unexpended balance on June 30, 1960, is estimated to be \$167,617,000, which is greater than any single year appropriation made to this program since its inception.

During its hearings on this program, the Committee examined quite extensively a contract between ICA and the Governmental Affairs Institute, a non-profit organization, located in Washington, D.C. Briefly, the negotiated contract calls for the giving of advice and guidance to the Plan Organization in Iran for the period February 12, 1957, to August 31, 1960, at a cost of not to exceed \$1,113,000. For that amount of money, the GAI agreed to provide advice and guidance to the Plan Organization by furnishing 12 management specialists. Therefore, the average cost to maintain these 12 technicians in Iran for approximately 3½ years amounts to approximately \$90,000 per man.

To fulfill its contractual obligations, the Governmental Affairs Institute submitted the following budget which had been approved by the ICA:

<i>Item</i>	<i>Amount</i>
Salaries.....	\$596, 235. 79
Overseas differential.....	13, 493. 00
Retirement system costs.....	39, 345. 88
Overhead costs.....	228, 530. 43
Fees for the senior committee.....	20, 714. 25
Travel costs of senior committee.....	18, 191. 77
Education allowances.....	14, 400. 51
Accident insurance premiums.....	4, 653. 04
Social security taxes.....	5, 968. 98
Storage of personal effects.....	5, 281. 26
Out-of-pocket expenses.....	12, 105. 68
United States travel allowance.....	5, 368. 00
Transportation of automobiles.....	20, 758. 15
Travel costs of technicians.....	90, 909. 85
Air freight for excess baggage.....	12, 438. 00
Transportation of household effects.....	24, 605. 41
Total.....	1, 113, 000. 00

The ICA official who signed the memorandum recommending that this contract be negotiated with GAI stated that the U.S. taxpayers are getting a hundred cents on the dollar for this contract cost. In view of the testimony that the average annual cost of an ICA direct-hire technician is approximately \$17,900, the Committee does not agree with his conclusion.

A matter of concern to the Committee is the practice by ICA of obligating funds, deobligating the same funds and subsequently re-obligating the money for country programs or projects under this program. A table showing the extent of this practice in the past four fiscal years and to February 28 of the current fiscal year follows:

Technical cooperation funds deobligated and reobligated from 1956 to 1960

[In thousands of dollars]

Year	Deobligated	Reobligated
1956.....	\$18, 101	\$12, 264
1957.....	6, 448	2, 252
1958.....	17, 989	14, 534
1959.....	19, 350	15, 967
1960 (through Feb. 28, 1960).....	5, 427	472

Of particular concern to the Committee is that the amount of de-obligations has been approximately 12 percent of the total appropriation, which indicates, in the opinion of the Committee, an overly optimistic attitude on the part of ICA officials as to the actual dollar requirements of this program. A matter of even greater concern to the Committee is that these deobligated funds have been reobligated to initiate projects that have never been justified to the Congress. While portions of the Mutual Security Program are on an illustrative basis, in the opinion of the Committee, it is the very rare exception where the initiation of a Technical Cooperation Program or a project is so vital to our foreign policy that it has to be funded prior to justification to the Congress. The Committee deplores this practice and has included language in the bill prohibiting the initiation of any

project or activity which has not been justified to the Appropriations Committees of the Congress.

United Nations Expanded Program of Technical Assistance.—The budget estimate and authorization for this program is \$33,000,000.

The Committee has included an appropriation of \$33,000,000, the same amount as the budget estimate and authorization amount.

Last year the House and Senate Appropriations Committee reports expressed a desire in obtaining a reduction not only in the percentage of our contribution to this program but also in our total dollar contribution as well. Such a reduction can, as a practical matter, only be achieved by the U.S. officials who pledge the United States to a specific percentage contribution at the General Assembly meeting of the United Nations in the fall of each year.

The Committee, during its examination of this program, was astonished to discover that the State Department official in charge of this program had not even bothered to read the Committee report on the program under his supervision. Consequently, the U.S. percentage contribution to this program was unchanged, which necessitates a \$3,000,000 increase above the 1960 appropriation to the program.

Organization of American States.—The budget estimate and authorization act recommend \$1,500,000 as the United States contribution to the technical cooperation programs of the Organization of American States.

The Committee recommends an appropriation of \$1,500,000, an increase of \$300,000 above the fiscal year 1960 appropriation of \$1,200,000.

SPECIAL ASSISTANCE

Special assistance is defined as economic aid designed to achieve political, economic, humanitarian, or other objectives of the United States in countries where the United States is not providing military assistance in support of significant military forces, and where the need for such assistance cannot appropriately or fully be provided under technical cooperation or from the Development Loan Fund. Special assistance is also the funding source for certain special programs which cut across country lines which serve important United States interests and which cannot appropriately be financed under other categories of aid. The Mutual Security Act of 1960 authorized \$256,000,000 for this program to provide such assistance to the following 22 countries and territories:

Afghanistan	Israel	Tunisia
Bolivia	Jordan	United Arab Republic
Brazil	Libya	West Berlin
Burma	Morocco	West Indies
Ethiopia	Nepal	Yemen
Guatemala	Paraguay	Yugoslavia
Haiti	Somalia	
Indonesia	Sudan	

The special programs include the following:

<i>Program</i>	<i>Estimate</i>
Malaria eradication.....	\$38, 000, 000
Water supply program.....	2, 100, 000
World Health Organization Research.....	500, 000
Aid to American Schools Abroad.....	2, 500, 000
Investment Incentive Fund.....	2, 000, 000
Total.....	45, 100, 000

For Special Assistance the Committee recommends an appropriation of \$206,000,000 plus the reappropriation of unobligated balances remaining available on June 30, estimated to be \$400,000. The recommended appropriation is \$62,500,000 below the estimate and \$50,000,000 below the authorization amount and is \$39,000,000 below the appropriation for fiscal year 1960. No part of the reduction is to be applied to the malaria eradication program.

The bill also includes language authorizing the use of \$1,500,000 for the purchase of local currency to finance a contribution to the cost of construction of the American Research Hospital for Children at Krakow, Poland. The use of this authority by the ICA is contingent upon raising from other than U.S. Government sources the balance of funds necessary to finance the complete cost of construction of the hospital and arrangements necessary to assure proper administration, once the hospital is completed.

The total funds availability in 1961 will be \$429,489,000, composed of new obligational authority of \$206,000,000, and unexpended funds as of June 30 of \$223,489,000.

The Committee has included in the General Provisions section of the bill language prohibiting the construction of any buildings, structures or other facilities in connection with the Special Program for Tropical Africa.

Last year the Budget proposed an appropriation of \$5,000,000 for the Investment Incentive Fund. After giving the proposed new program careful consideration, the Committee, in its report on the fiscal year 1960 bill, specifically denied the request for funds to initiate the program. During the hearings this year, the Committee was informed that the ICA had allocated \$2,500,000 to the program despite the specific denial by the Committee and the approval by the House of the Committee's action.

The request for this Fund in fiscal year 1961 is \$2,000,000 which the Committee has denied. In addition, language has been included in the General Provisions of the bill this year to insure that the action of the Committee will be heeded.

OTHER PROGRAMS

Intergovernmental Committee for European Migration.—The objective of this organization is to move and resettle those surplus populations and refugees from the overpopulated countries of Europe to other countries which can use additional manpower. The program for 1961 contemplates the moving of 125,500 individuals, including 3,250 from the Far East.

The budget estimate for this program is \$10,000,000, and the Committee recommends the same amount. This is an increase of \$2,629,000 above the 1960 appropriation.

United Nations Refugee Fund.—The budget estimate of \$1,500,000 is for the United States contribution to the United Nations High Commissioner's program for refugees who are objects of international responsibility under the High Commissioner's mandate. The Mutual Security Act of 1960 authorized \$1,300,000 for this purpose.

The Committee recommends \$1,300,000, the same amount as authorized but a reduction of \$200,000 in the budget estimate. The recommended appropriation is \$200,000 above the fiscal year 1960 appropriation.

Escapee Program.—Through its specialized services the U.S. Escapee Program provides assistance to Soviet and satellite escapees in Europe and the Middle East, and Chinese refugees in Hong Kong from initial reception, interim care, and maintenance to resettlement. Since its inception in 1952 the program has provided assistance to over 400,000 escapees. The Mutual Security Act of 1960 authorized \$3,500,000 for the registration of 7,700 new escapees in 1961.

The Committee recommends an appropriation of \$3,500,000 for the program. This is a reduction of \$1,132,000 below the 1960 appropriation.

United Nations Children's Fund.—This program is designed to improve the welfare and health of children and mothers primarily in underdeveloped areas of the world. The program provides basic medical equipment for rural health centers and training schools, insecticides, vaccines and antibiotics to initiate campaigns against disease, powdered milk to combat malnutrition, and equipment for local dairies and food processing industries to improve child nutrition. The program is currently participating in 371 programs in 104 countries and territories.

The budget estimate and authorization amount for 1961 is \$12,000,000, the same amount as that authorized and appropriated for fiscal 1960.

The Committee recommends \$12,000,000 for this program.

United Nations Relief and Works Agency.—The budget estimate of \$18,500,000 is for the U.S. contribution to the United Nations Relief and Works Agency program for the relief and rehabilitation of an estimated 1,012,000 Palestine refugees in the Near East. The Mutual Security Act of 1960 authorized an appropriation of not to exceed \$16,500,000.

The Committee recommends an appropriation of \$16,500,000. This is a reduction of \$2,000,000 below the estimate and \$8,500,000 below the 1960 appropriation.

In view of the State Department's concurrence that it is possible to substitute up to a limit of \$6,000,000, the use of P.L. 480 Title II commodities as our contribution to this program, the Committee urges the Department to take such action during the coming fiscal year. These commodities should be purchased from the Commodity Credit Corporation. If they are not purchased the corresponding dollar savings should be placed in reserve.

NATO Science Program.—This program is designed to increase scientific cooperation in the alliance, both military and nonmilitary, through the use of fellowships, institutes, research grants and other projects. The budget estimate for this purpose is \$1,800,000 and the Committee recommends an appropriation of \$1,200,000, the same amount as was allocated for this purpose in fiscal year 1960.

Ocean freight.—This program finances the cost of ocean freight for relief supplies sent to needy persons abroad under the auspices of approved U.S. voluntary non-profit agencies. The Mutual Security Act of 1960 authorized \$2,000,000 for this program.

The Committee recommends an appropriation of \$2,000,000, the same amount as the budget estimate, and the authorization act amount.

General administrative expenses.—The budget estimate for this purpose is \$40,000,000, the same amount authorized by the Mutual Security Act of 1960.

The Committee recommends an appropriation of \$38,000,000. This is a reduction of \$2,000,000 below the estimate and authorization act amount and the same amount as was appropriated for the fiscal year 1960.

During its examination of the budget estimate for this purpose, the Committee discussed quite extensively the contract between ICA and the Johns Hopkins Institute on ICA Development Programming of Washington, D.C. The contract was entered into in 1958, and provides for six sessions of instruction of five months each. Each session is composed of a maximum of 20 ICA employees at a contract cost of \$80,000 per 5-month session, which amounts to at least \$4,000 per student per 5-month course, or \$800 per month per student for tuition alone. The program to be taught by the Institute was developed by ICA and the contract further provides that ICA is to make approximately 25 percent of the lecturers available for the course. A key official of ICA gave the following two reasons for the course:

We got into the ICA Development Program Institute for two reasons. First of all, I think it was a recognition that we will be in this business of assisting other countries, particularly in the field of technical cooperation, for a period of some years, and, therefore, we should be planning on the training of our personnel against a somewhat longer period of time than had been the case in the past * * *.

Secondly, we have had recognition for many years that undertaking development projects in Asia, Africa, Latin America, and so forth requires substantial adaptation over our method that we have used in the United States and in Western Europe because of different cultural, political, economic, religious, and other factors in these countries which are substantially different from those that we are accustomed to working with.

A detailed curriculum of the Institute will be found on pages 1027-1030 of Part I of the hearings.

For the three fiscal year period, 1959 through 1961, ICA plans to obligate \$744,000 to Johns Hopkins University for the training of 120 students. Since these students are ICA employees, their salaries and related costs while attending the school will amount to \$635,000.

In addition to the contract noted above, the ICA also has a similar contract with Boston University for the training of ICA employees in connection with the proposed \$20,000,000 Special Program for Tropical Africa, where the tuition charge alone amounts to \$760 per man-month.

These are but two examples of excessively high cost projects appearing in the hearings.

Office of Inspector General and Comptroller.—Under existing practice the expenses of this Office are charged to the programs under the jurisdiction of and are not subject to any limitation other than the judgment of the Inspector General and Comptroller.

The 1961 Budget justifications indicated that this Office planned to spend \$767,000 during the current fiscal year. The 1961 Budget justifications also included a program estimate of \$1,250,000 for fiscal year 1961. During the hearings the Inspector General revised his 1960 program up to \$902,000 and also revised his 1961 program up to \$1,750,000. Even this revised estimate for 1961 is contingent upon a decision as to just how much jurisdiction this Office will have over the military assistance program.

The Committee is of the firm opinion that the financial requirements of any organization should not be the result of the judgment of only one individual with absolutely no limitation on the availability of funds. Accordingly, the Committee has included in the accompanying bill language limiting the expenses of this Office in fiscal year 1961 to \$1,000,000. This is a reduction of \$250,000 in the budget submission for 1961 for the Office of the Inspector General and Comptroller.

Administrative and other expenses.—The budget estimate of \$8,300,000 is to provide for the administrative and other expenses of the State Department incurred in providing coordination and program policy review of the Mutual Security Program in Washington and abroad, for public information on the program, and for support of the U.S. mission to NATO and European Regional Organization in Paris. In addition, the costs of administering the Refugee and Migration Program and the Battle Act are financed by this item.

The Committee recommends an appropriation of \$8,000,000, a reduction of \$300,000 in the estimate and \$100,000 below the 1960 appropriation.

Atoms for Peace.—The purpose of this program is to promote the peaceful uses of atomic energy abroad. The Mutual Security Act of 1960 authorized \$3,400,000 for the program.

The program submitted to the Congress included the following activities:

<i>Activity</i>	<i>Estimate</i>
Foreign research reactors.....	\$350, 000
Equipment grants.....	1, 250, 000
Symposia and surveys.....	350, 000
Contributions to the IAEA.....	750, 000
Scholarship programs.....	700, 000
Total.....	3, 400, 000

The Committee recommends an appropriation of \$1,500,000 for this program in fiscal year 1961, the same amount as was appropriated for fiscal year 1960.

During its examination of this item the Committee was shocked to discover that this program is financing scholarships to students from the Iron Curtain countries to enable them to come to the United States for study purposes. The Committee suggests that this phase of the program should be carefully reviewed with the view of eliminating such practice in future years.

CONTINGENCIES

President's Special Authority and Contingency Fund.—The contingency fund is intended to serve as a reserve to meet in part: (a) anticipated requirements which are not firm at the time of the congressional presentation, and (b) unforeseen contingencies.

The budget estimate for this purpose is \$175,000,000, and the Mutual Security Act of 1960 authorized \$150,000,000.

The Committee recommends an appropriation of \$150,000,000, the amount authorized by the Mutual Security Act of 1960 but a reduction of \$25,000,000 below the budget estimate. The 1960 appropriation for this purpose was \$155,000,000.

The Committee has been concerned for the past two years about the way in which this Contingency Fund has been used. The Fund has been used in a number of instances to nullify the action of Congress in authorizing specific amounts to be appropriated and to nullify the action of the Congress in reducing the budget estimates of the various programs contained in the bill. The Fund, according to testimony, is programmed or allocated at approximately the same time that other appropriations contained in the bill are programmed. Such action does not indicate that the Fund is looked upon by the Executive Branch as a fund to solely meet unforeseen contingencies or even requirements that are not firm at the time of the Congressional presentation of the Mutual Security program.

The Committee has, therefore, included language in the bill designed to preclude executive nullification of specific Congressional reductions.

DEVELOPMENT LOAN FUND

The Development Loan Fund is administered by a government corporation established to support long-range growth in the underdeveloped countries of the world. It provides capital for development projects and programs through direct loans and other forms of credit.

There has been appropriated to date to the Fund \$1,400,000,000. As of June 30, 1960, obligations are estimated to be \$1,070,532,000, exclusive of administrative expenses. Of the unobligated balance of \$326,398,000, the sum of \$298,850,000 is in the nature of "committed" funds.

The Committee recommends an appropriation of \$550,000,000. This is a reduction of \$150,000,000 in the budget estimate but the same amount as was appropriated for 1960. The Mutual Security Act of 1959 authorized a total of \$1,800,000,000 for fiscal years 1960 and 1961.

Last year the Committee's report on this bill indicated its concern about the limited use the United States has for the local currency being generated by our dollar loans to the underdeveloped countries and the fact that the United States, by the terms of the loan agreement, is creating a revolving loan fund in each country to which it has made a loan.

The Committee calls to the attention of the House that, in its opinion, despite the claims of the proponents of the Fund, this appro-

priation is grant aid. To support its position the Committee points out that there is no provision in the Act creating the Development Loan Fund providing for the return to the general unsegregated funds of the U.S. Treasury of any type of currency—either the local currency or dollar repayments. As long as the present legislation is in effect, the Congress will without doubt be called upon to keep on appropriating the taxpayers' dollars to the Fund but the Fund will not have to repay a single dollar to the Federal Treasury.

Administrative expenses.—The Budget proposed \$2,150,000 for the costs of administration of the Development Loan Fund operations.

The Committee recommends an administrative expense limitation of \$1,800,000. This is a reduction of \$350,000 below the estimate, and a decrease of \$20,000 below the 1960 limitation.

GENERAL PROVISIONS

The Committee has included language in the General Provisions of the bill limiting the use of funds for various studies and programs contained in the authorization act as follows:

1. Point 4 Youth Corps. (Sec. 106 of the bill).
2. Development of the Indus Basin. (Sec. 107).
3. Loans to small farmers. (Sec. 108.)
4. Special Program for Tropical Africa. (Sec. 109.)
5. Investment Incentive Fund Program. (Sec. 110.)
6. Puerto Rico Hemispheric Center for Cultural and Technical Interchange. (Sec. 111.)

In connection with the provision related to the development of the Indus Basin, the Committee believes that this project is of such magnitude and ultimate expense that more study and consideration should be given thereto before any obligations are incurred by the Mutual Security program for this purpose.

TITLE II—DEPARTMENT OF THE ARMY— CIVIL FUNCTIONS

RYUKYU ISLANDS, ARMY

This appropriation provides for administering the Ryukyu Islands through a civil administration headed by a High Commissioner. Pursuant to Executive Order 10713 of June 5, 1957, the Army is charged with developing an effective and responsible Ryukyuan Government, based on democratic principles and supported by a sound financial structure and with improving the welfare and well-being of the inhabitants of the Ryukyu Islands.

The Budget requested \$6,704,000 for this purpose and the Committee recommends an appropriation of \$5,250,000, a reduction of \$1,454,000 in the estimate, and a decrease of \$32,000 below the 1960 appropriation.

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on administrative expenses.—The Budget proposed an increase of \$175,000 above the fiscal year 1960 limitation of \$2,500,000 for the administrative expenses of this agency.

The Committee recommends a limitation on such expenses of \$2,675,000, the amount of the budget estimate.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

On page 2, in connection with Technical Cooperation:

Provided, That no part of this appropriation shall be used to initiate any project or activity which has not been justified to the Committees on Appropriations of the House of Representatives and the Senate.

On page 3, in connection with Special Assistance:

Provided, That no part of this appropriation shall be transferred by the International Cooperation Administration or the Department of State to the Benjamin Franklin Foundation, until a new agreement is entered into between the United States and the Benjamin Franklin Foundation which contains adequate financial and administrative controls for the protection of the Government of the United States.

On page 4, in connection with the Office of the Inspector General and Comptroller.

Office of the Inspector General and Comptroller: Not to exceed \$1,000,000 of the funds appropriated in this title shall be available to carry out the provisions of section 533A of the Mutual Security Act of 1954, as amended.

On page 5 in connection with the President's Contingency Fund:

Provided, That none of the funds appropriated in this paragraph shall be used for any project or activity for which an estimate has been submitted to Congress.

Beginning on page 7 under General Provisions:

SEC. 106. None of the funds herein appropriated shall be used to carry out the provisions of section 203(c) of the Mutual Security Act of 1960.

SEC. 107. None of the funds herein appropriated shall be used to carry out the provisions of section 404 of the Mutual Security Act of 1954, as amended.

SEC. 108. None of the funds herein appropriated shall be used to carry out the provisions of section 421 of the Mutual Security Act of 1954, as amended.

SEC. 109. None of the funds herein appropriated shall be used for the construction of any building, structure, or other similar facility in connection with the Special Program for Tropical Africa.

SEC. 110. None of the funds herein appropriated shall be used to finance any of the activities under the Investment Incentive Fund Program.

SEC. 111. None of the funds herein appropriated shall be used to carry out the provisions of chapter VIII of the Mutual Security Act of 1960.

MINORITY REPORT

We cannot condone and cannot remain silent in the face of the heavy and, we believe, unconscionable cuts imposed by the majority in military assistance and defense support. These cuts are not justified by the testimony heard by our subcommittee, particularly in view of the most urgent requests and warnings by the President of the United States, the Secretary of State, and the Secretary of Defense.

Their effect will inevitably be to indicate a weakening in the determination and leadership of the United States to hold together the nations of the free world at the very time when the Communist bloc is engaged in a major drive to split it apart.

These cuts will compel reductions in needed military assistance to our allies at the precise moment when Khrushchev and the Soviet Defense Minister Malinovsky are threatening them with rocket attacks. They will force serious reductions in economic help to struggling nations at the very moment when the Communist bloc is accelerating its efforts at economic penetration and control of these hundreds of millions of people who constitute the balance of power in the world. They will undermine the security of the United States at one of the most critical times in the history of our country.

This is no time to "kowtow" to Khrushchev or be soft on Communism.

It is our belief that the national interest requires that substantial increases be made for military assistance and defense support.

MILITARY ASSISTANCE

Of the \$2 billion in new obligational authority requested by the President for the Military Assistance Program in fiscal year 1961, the testimony of Defense Department witnesses shows that \$25 million is needed for financing of credit sales and \$495 million for relatively fixed charges such as costs for infrastructure and international headquarters, for supply operations incident to completing the delivery of orders placed in earlier years, and for administrative expenses. Little can be shaved off in these areas.

The remaining \$1.48 billion falls into two broad categories: \$615 million is estimated by the Defense Department as needed for force maintenance, i.e., to keep the forces of our allies at the level heretofore attained, while the testimony shows that \$865 million is for force improvement, i.e., for modernization of existing equipment and for setting up new units and installations.

It is both difficult and dangerous to apply program cuts against the \$615 million for force maintenance, since that means undermining the upkeep, repair, and readiness of forces we have equipped and trained with great expense and effort, and which are already suffering from insufficiency of maintenance support.

Last year, in requesting \$1.6 billion for fiscal year 1960, the Department of Defense estimated \$385 million for force maintenance. This turned out to be a most inadequate estimate, as is established by the fact that although only \$1.3 billion was appropriated for Military Assistance, the Department of Defense has actually used \$532 million for force maintenance or some \$150 million more than it expected to, while acute difficulties are being reported by the U.S. Military Assistance Advisory Groups. The Department of Defense witnesses emphasized to our Subcommittee that it will unquestionably have to use very close to \$600 million for force maintenance during fiscal year 1961.

There remains only the \$865 million for force improvement from which to absorb cuts in the appropriation. General Norstad, our NATO Commander, stressed in testimony to our Subcommittee that this is the money most needed to pay for missiles, electronic equipment, modern aircraft and ships, tanks and combat vehicles, construction at missile bases, and other materiel vital to strengthening the forces of allies and to the effectiveness of our NATO alliance. Other Defense Department witnesses emphasized the importance of force improvement to the effectiveness of the forces of our other allies. Yet because of the irreducible need for the funds already described, we are told by the responsible authority in the Executive Branch that more than 80 percent of *any* cut below the Military Assistance budget request will have to come out of force improvement. This means that the reduction of \$400 million voted by the Majority will inevitably compel a reduction of nearly 40 percent in the needed and planned strengthening of forces of our major allies.

This damage to the strength of our common defense made inevitable by the action of the Majority is intensified by the fact that last year, the major impact of the \$300 million cut in the budget request had to be absorbed in this vital area of force improvement through postponements and deferments of programs. This meant that almost the whole weight of the appropriation cut fell on the NATO alliance, since our military assistance there so largely consists of ultra-modern equipment which even those countries are not yet able to supply for themselves. The ill-advised cut now imposed will make it impossible to deliver some \$230 million in advanced equipment now planned for and vital to NATO strength. It will mean still further delay in modernizing their forces. This is a course which, in the coldest calculation of national interest, we cannot afford to continue, for military alliances which lack proper weapons in proper condition to fight are but mockeries which certainly will not deceive the Communists.

One important fact must be realized in weighing the need for military assistance appropriations. The pipeline which once made it possible to continue the program at a safe or reasonably safe level despite reductions in budget requests will no longer make that possible. It has been reduced from a high point of some \$8.5 billion 7 years ago to below \$2.2 billion at the end of this fiscal year. Any cut made in this requested appropriation will inevitably continue the decline in deliveries which in fiscal year 1960 dropped 25 percent below the average for the preceding five years—with a consequent reduction in the strength of our common defense.

This deep reduction in military assistance cannot be excused on the ground that our European or other allies are not doing their part.

We feel that the economic advancement of several of our NATO allies has made it possible and right for them to increase their efforts—but *they are in fact doing so*.

The record shows that whereas the U.S. was paying 28 percent of the total defense costs of our European NATO allies in 1953, we are paying about 8 percent today. Perhaps the most dramatic rise is that in Germany, where defense expenditures rose by 68 percent from the 1958 level of \$1.6 billion to \$2.7 billion in 1959. The total of self-financed defense expenditures for the European NATO countries last year was nearly \$13.6 billion, an increase of 11 percent over the \$12.2 billion spent in 1958 and more than double the 1950 expenditure. Defense witnesses revealed that the latest NATO Annual Review studies indicate that for 1960 the European NATO countries will spend \$14.2 billion, continuing the rise.

Furthermore, the trend toward significantly increased defense expenditures is expected to continue in 1961. We understand that the Netherlands is planning a significant increase in its defense budget in 1961; that the United Kingdom has announced a 7.6 percent increase; that the Italian Government has already put into effect a 4 percent progressive annual increase. We believe from recent developments that we may anticipate with reasonable confidence that other European countries will continue to make additional outlays for defense purposes as their economic situations continue to improve.

Because of the economic progress of Germany, France and the United Kingdom, the need for grant military assistance to these countries no longer exists and no new commitments are included in the estimates for military assistance which are under consideration.

In considering the contributions of allied nations, it is also important and fair to bear in mind how small the income of their average citizen is compared to our own fortunate position and how heavy is their burden of taxation. *The figures are set out in Tables I and II, attached.*

DEFENSE SUPPORT

The reduction of \$75 million proposed by the Majority is a severe and dangerous reduction in an essential program.

Defense Support is a truly indispensable element of the U.S. collective security system. Without it, a substantial part of our military alliance system would collapse and our military aid would be fruitless. It provides economic aid to twelve nations to enable them to support the common defense with significant military forces beyond their capacity to support unaided. This economic assistance is essential both for their general political and economic stability and to make possible their military contribution. Of these twelve nations, eleven—Greece, Turkey, Iran, Pakistan, Thailand, Cambodia, Laos, Vietnam, Philippines, China and Korea—rim the perimeter of the Sino Soviet Bloc. Together they provide nearly 3 million armed forces. These forces are a valuable deterrent to aggression and a means of effective defense involving less risk of spreading a local war than if U.S. forces were used. The twelfth nation, Spain, provides important air and naval bases to the United States.

The Communist Bloc can be relied upon to probe and exploit any suspected weakness in this strategic perimeter. While their efforts and skill at economic penetration have increased, there is no evidence that

the military threat has in any way diminished. The hearings developed considerable evidence to the contrary:

(1) Along with the implied desire to maintain or heighten tensions which is visible in Soviet disruption of the Summit Conference, much evidence was presented that they are intensifying their campaign to neutralize overseas bases—using all of their standard threats plus new and violent threats of rocket attacks.

(2) In the Far East, armistice violations by North Korea, sporadic cannonades in the Taiwan Straits, and subversion in and infiltration into South Vietnam and Laos, are overshadowed by the ominous fact of Red Chinese strength, and willingness to use force to expand along her southern border.

Without adequate Defense Support—both as a direct source of military strength and as a tangible symbol of continued U.S. support—the task of resisting inexorable Communist pressure will be magnified.

The authorization of \$675 million is already \$49 million below the President's request and is about 12 percent below the program of the current year. We believe the significantly deeper reduction of \$75 million made by the Majority would be foolhardy in the light of present world conditions and particularly of the heavy pressures now being exerted by the Kremlin in many of the nations to which our Defense Support is vital.

These countries have shown increasing desire and ability to provide for their own defense. This is attested to by the fact that appropriations for Defense Support for the fiscal year of 1957 exceeded \$1.1 billion compared to \$675 million authorized for fiscal year 1961, and the \$600 million recommended to be appropriated by the Majority.

For the reasons heretofore given, we trust that the amendments to be offered to restore a substantial part of the cuts made in military assistance and Defense Support will be adopted.

JOHN TABER,
GERALD R. FORD, Jr.,
JOHN J. RHODES,
SILVIO O. CONTE,
Minority Members.

TABLE I.—*Per capita gross national product of European NATO and the United States*

[In U.S. dollars or dollar equivalents]

Gross national product per capita	1958 estimate	Defense expenditures 1958 estimate ¹	1958 estimated gross national product per capita after defense expenditure subtracted
Benelux.....	1,193	3.4	1,152
Denmark.....	1,040	2.8	1,011
France.....	1,125	6.8	1,049
Germany.....	1,005	3.4	971
Italy.....	530	3.6	511
Netherlands.....	831	4.9	790
Norway.....	1,137	3.7	1,095
Portugal.....	227	4.2	216
United Kingdom.....	1,178	7.5	1,090
Turkey.....	381	4.2	365
Greece.....	336	5.3	318
Average.....	863	5.4	817
United States.....	² 2,450	10.4	2,195

¹ Percent GNP.² 1953 estimate (1957 prices).

TABLE II.—*Estimates of total tax receipts of all levels of Government*

[In millions of dollar equivalents]

	1958 or 1958-59	
	Amount	Percent of gross National product
Belgium-Luxembourg.....	2,475	22.2
Denmark.....	1,062	21.9
France.....	17,502	31.1
Germany.....	17,205	32.5
Italy.....	7,624	28.0
Netherlands.....	3,053	32.4
Norway.....	1,160	29.2
Portugal.....	¹ 340	16.7
United Kingdom (calendar years).....	18,620	29.2
Austria.....	1,548	31.3
West Berlin.....	618	25.7
United States.....	110,200	25.2

¹ Estimated.

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1960 AND ESTIMATES AND AMOUNTS RECOMMENDED
IN BILL FOR 1961

TITLE I—MUTUAL SECURITY

Item	Appropriations, 1960	Budget estimates, 1961	Recommended in bill for 1961	Bill compared with—	
				1960 appropriations	1961 estimates
FUNDS APPROPRIATED TO THE PRESIDENT					
Military assistance-----	\$1, 300, 000, 000	\$2, 000, 000, 000	\$1, 600, 000, 000	+\$300, 000, 000	—\$400, 000, 000
Defense support-----	695, 000, 000	724, 000, 000	600, 000, 000	—95, 000, 000	—124, 000, 000
Technical cooperation, general authoriza- tion-----	150, 000, 000	172, 000, 000	150, 000, 000	-----	—22, 000, 000
United Nations expanded program of tech- nical assistance-----	30, 000, 000	33, 000, 000	33, 000, 000	+3, 000, 000	-----
Technical cooperation programs of the Organization of American States-----	1, 200, 000	1, 500, 000	1, 500, 000	+300, 000	-----
Special assistance:					
General authorization-----	245, 000, 000	268, 500, 000	206, 000, 000	—39, 000, 000	—62, 500, 000
Special authorization-----	¹ (50, 000)	-----	-----	(—50, 000)	-----
Intergovernmental Committee for Euro- pean Migration-----	7, 371, 000	10, 000, 000	10, 000, 000	+2, 629, 000	-----

Program of United Nations High Commissioner for Refugees-----	1, 100, 000	1, 500, 000	1, 300, 000	+200, 000	-200, 000
Escapee program-----	4, 632, 000	3, 500, 000	3, 500, 000	-1, 132, 000	-----
United Nations Children's Fund-----	12, 000, 000	12, 000, 000	12, 000, 000	-----	-----
United Nations Relief and Works Agency--	25, 000, 000	18, 500, 000	16, 500, 000	-8, 500, 000	-2, 000, 000
North Atlantic Treaty Organization Science Program-----	-----	1, 800, 000	1, 200, 000	+1, 200, 000	-600, 000
Ocean freight charges-----	1, 910, 000	2, 000, 000	2, 000, 000	+90, 000	-----
General administrative expenses-----	38, 000, 000	40, 000, 000	38, 000, 000	-----	-2, 000, 000
Administrative and other expenses-----	8, 100, 000	8, 300, 000	8, 000, 000	-100, 000	-300, 000
Atoms for peace-----	1, 500, 000	3, 400, 000	1, 500, 000	-----	-1, 900, 000
President's Special Authority and Contingency Fund-----	155, 000, 000	175, 000, 000	150, 000, 000	-5, 000, 000	-25, 000, 000
Total, funds appropriated to the President-----	² 2, 675, 813, 000	³ 3, 475, 000, 000	³ 2, 834, 500, 000	+158, 687, 000	-640, 500, 000
CORPORATION					
Development Loan Fund-----	550, 000, 000	700, 000, 000	550, 000, 000	-----	-150, 000, 000
Limitation on administrative expenses, Development Loan Fund-----	(1, 820, 000)	(2, 150, 000)	(1, 800, 000)	(-20, 000)	(-350, 000)
Total, title I, mutual security-----	3, 225, 813, 000	4, 175, 000, 000	3, 384, 500, 000	+158, 687, 000	-790, 500, 000

¹ The equivalent in local currencies.² In addition, all unobligated balances continued available as proposed in H. Doc. 188.³ In addition, all unobligated balances estimated to be \$52,514,000 continued available.

Comparative statement of appropriations for 1960 and estimates and amounts recommended in bill for 1961—Continued

TITLE II—DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

Item	Appropriations, 1960	Budget estimates, 1961	Recommended in bill for 1961	Bill compared with—	
				1960 appropriations	1961 estimates
RYUKYU ISLANDS, ARMY					
Administration-----	\$5, 282, 000	\$6, 704, 000	\$5, 250, 000	—\$32, 000	—\$1, 454, 000
Construction of power systems, Ryukyu Islands-----	18, 000, 000	-----	-----	—18, 000, 000	-----
Total, title II, Department of the Army, civil functions-----	23, 282, 000	6, 704, 000	5, 250, 000	—18, 032, 000	—1, 454, 000

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on administrative expenses, Export-Import Bank of Washington-----	(\$2, 500, 000)	(\$2, 675, 000)	(\$2, 675, 000)	(+ \$175, 000)	-----
Grand total-----	3, 249, 095, 000	4, 181, 704, 000	3, 389, 750, 000	+140, 655, 000	—\$791, 954, 000

○

Union Calendar No. 800

86TH CONGRESS
2D SESSION

H. R. 12619

[Report No. 1798]

IN THE HOUSE OF REPRESENTATIVES

JUNE 13, 1960

Mr. PASSMAN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for Mutual Security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the following sums are appropriated, out of any money
- 4 in the Treasury not otherwise appropriated, for the fiscal
- 5 year ending June 30, 1961, namely:

1 TITLE I—MUTUAL SECURITY

2 FUNDS APPROPRIATED TO THE PRESIDENT

3 For expenses necessary to enable the President to carry
4 out the provisions of the Mutual Security Act of 1954, as
5 amended, to remain available until June 30, 1961, unless
6 otherwise specified herein, as follows:

7 MILITARY ASSISTANCE

8 For expenses as authorized by section 103 (a) of the
9 Mutual Security Act of 1954, as amended, necessary to
10 enable the President to carry out the purposes of chapter I
11 of such Act (including administrative expenses as authorized
12 by section 103 (b) of such Act, which shall not exceed
13 \$23,000,000 for the current fiscal year, and purchase for re-
14 placement only of passenger motor vehicles for use outside
15 the United States), \$1,600,000,000.

16 ECONOMIC ASSISTANCE

17 Defense support: For assistance authorized by section
18 131 (b), \$600,000,000.

19 Technical cooperation, general authorization: For assist-
20 ance authorized by section 304, \$150,000,000: *Provided*,
21 That no part of this appropriation shall be used to initiate
22 any project or activity which has not been justified to the
23 Committees on Appropriations of the House of Representa-
24 tives and the Senate.

25 United Nations expanded program of technical assistance

1 and related fund: For contributions authorized by section
2 306 (a) , \$33,000,000.

3 Technical cooperation programs of the Organization of
4 American States: For contributions authorized by section
5 306 (b) , \$1,500,000.

6 Special assistance, general authorization: For assistance
7 authorized by section 400 (a) , \$206,000,000, of which not
8 to exceed \$1,500,000 may be used to purchase foreign cur-
9 rencies or credits owed to or owned by the Treasury of the
10 United States for assistance authorized by section 400 (c)
11 for construction of the American Research Hospital for Chil-
12 dren in Poland at the University of Krakow: *Provided*, That
13 no part of this appropriation shall be transferred by the
14 International Cooperation Administration or the Department
15 of State to the Benjamin Franklin Foundation, until a new
16 agreement is entered into between the United States and the
17 Benjamin Franklin Foundation which contains adequate
18 financial and administrative controls for the protection of
19 the Government of the United States.

20 Intergovernmental Committee for European Migration:
21 For contributions authorized by section 405 (a) , \$10,000,-
22 000: *Provided*, That no funds herein appropriated shall
23 be used to assist directly in the migration to any nation in
24 the Western Hemisphere of any person not having a security
25 clearance based on reasonable standards to insure against
26 Communist infiltration in the Western Hemisphere.

1 Program of United Nations High Commissioner for
2 Refugees: For contributions authorized by section 405 (c),
3 \$1,300,000.

4 Escapee program: For assistance authorized by section
5 405 (d), \$3,500,000.

6 United Nations Children's Fund: For contributions au-
7 thorized by section 406, \$12,000,000.

8 United Nations Relief and Works Agency: For contri-
9 butions and expenditures authorized by section 407,
10 \$16,500,000.

11 North Atlantic Treaty Organization science program:
12 For contributions authorized by section 408 (a), \$1,200,000.

13 Ocean freight charges, United States voluntary relief
14 agencies: For payments authorized by section 409 (c),
15 \$2,000,000.

16 General administrative expenses: For expenses author-
17 ized by section 411 (b), \$38,000,000.

18 Administrative and other expenses: For expenses au-
19 thorized by section 411 (c), \$8,000,000.

20 Atoms for peace: For assistance authorized by section
21 419, \$1,500,000.

22 Office of the Inspector General and Comptroller: Not to
23 exceed \$1,000,000 of the funds appropriated in this title
24 shall be available to carry out the provisions of section 533A
25 of the Mutual Security Act of 1954, as amended.

1 Unobligated balances of funds heretofore made available
2 under authority of the Mutual Security Act of 1954, as
3 amended, and available as of June 30, 1960, are, except as
4 otherwise provided, hereby continued available for the cur-
5 rent fiscal year, for the same general purposes for which ap-
6 propriated, and such amounts may be consolidated with the
7 respective appropriations contained herein for the same gen-
8 eral purposes.

9 CONTINGENCIES

10 President's special authority and contingency fund:
11 For assistance authorized by section 451 (b) , \$150,000,000:
12 *Provided*, That none of the funds appropriated in this para-
13 graph shall be used for any project or activity for which an
14 estimate has been submitted to Congress.

15 CORPORATION

16 The Development Loan Fund is hereby authorized to
17 make such expenditures within the limits of funds available
18 to it, and in accord with law, and to make such contracts
19 and commitments without regard to fiscal year limitations
20 as provided in section 104 of the Government Corporation
21 Control Act, as amended, as may be necessary in carrying
22 out the programs set forth in the budget for the current fiscal
23 year for such corporation, except as hereinafter provided:

1 DEVELOPMENT LOAN FUND

2 For advances to the Development Loan Fund as au-
3 thorized by section 203, \$550,000,000, to remain available
4 until expended.

5 LIMITATION ON ADMINISTRATIVE EXPENSES, DEVELOP-
6 MENT LOAN FUND

7 Not to exceed \$1,800,000 of the funds of the Develop-
8 ment Loan Fund shall be available during the current fiscal
9 year for administrative expenses of the Fund covering the
10 categories set forth in the current fiscal year budget esti-
11 mates for such expenses.

12 GENERAL PROVISIONS

13 SEC. 102. None of the funds herein appropriated for
14 Defense Support, the Development Loan Fund, Special
15 Assistance, or the President's Special Authority and Contin-
16 gency Fund shall be used to finance the construction of any
17 new flood control, reclamation, or other water or related land
18 resource project or program which has not met the standards
19 and criteria used in determining the feasibility of flood con-
20 trol, reclamation and other water and related land resource
21 programs and projects proposed for construction within the
22 United States of America as per circular A-47 of the Bureau
23 of the Budget, dated December 31, 1952.

24 SEC. 103. Obligations made from funds herein appro-
25 priated for engineering and architectural fees and services

1 to any individual or group of engineering and architectural
2 firms on any one project in excess of \$25,000 shall be re-
3 ported to the Committees on Appropriations of the Senate
4 and House of Representatives at least twice annually.

5 SEC. 104. Except for the appropriations entitled "Pres-
6 ident's special authority and contingency fund" and "Devel-
7 opment Loan Fund", not more than 20 per centum of any
8 appropriation item made available by this title shall be obli-
9 gated and/or reserved during the last month of availability.

10 SEC. 105. None of the funds herein appropriated nor
11 any of the counterpart funds generated as a result of assist-
12 ance hereunder or any prior Act shall be used to pay
13 pensions, annuities, retirement pay or adjusted service com-
14 pensation for any persons heretofore or hereafter serving
15 in the armed forces of any recipient country.

16 SEC. 106. None of the funds herein appropriated shall
17 be used to carry out the provisions of section 203 (c) of the
18 Mutual Security Act of 1960.

19 SEC. 107. None of the funds herein appropriated shall
20 be used to carry out the provisions of section 404 of the
21 Mutual Security Act of 1954, as amended.

22 SEC. 108. None of the funds herein appropriated shall
23 be used to carry out the provisions of section 421 of the
24 Mutual Security Act of 1954, as amended.

25 SEC. 109. None of the funds herein appropriated shall

1 be used for the construction of any building, structure, or
2 other similar facility in connection with the Special Program
3 for Tropical Africa.

4 SEC. 110. None of the funds herein appropriated shall
5 be used to finance any of the activities under the Investment
6 Incentive Fund Program.

7 SEC. 111. None of the funds herein appropriated shall
8 be used to carry out the provisions of chapter VIII of the
9 Mutual Security Act of 1960.

10 SEC. 112. The Congress hereby reiterates its opposition
11 to the seating in the United Nations of the Communist China
12 regime as the representative of China, and it is hereby
13 declared to be the continuing sense of the Congress that the
14 Communist regime in China has not demonstrated
15 its willingness to fulfill the obligations contained in the
16 Charter of the United Nations and should not be recognized
17 to represent China in the United Nations. In the event
18 of the seating of representatives of the Chinese Communist
19 regime in the Security Council or General Assembly of the
20 United Nations, the President is requested to inform the
21 Congress insofar as is compatible with the requirements of
22 national security, of the implications of this action upon the
23 foreign policy of the United States and our foreign relation-
24 ships, including that created by membership in the United

1 Nations, together with any recommendations which he may
2 have with respect to the matter.

3 SEC. 113. It is the sense of Congress that any attempt
4 by foreign nations to create distinctions because of their
5 race or religion among American citizens in the granting of
6 personal or commercial access or any other rights otherwise
7 available to United States citizens generally is repugnant to
8 our principles; and in all negotiations between the United
9 States and any foreign state arising as a result of funds
10 appropriated under this title these principles shall be applied
11 as the President may determine.

12 TITLE II—DEPARTMENT OF THE ARMY—

13 CIVIL FUNCTIONS

14 RYUKYU ISLANDS, ADMINISTRATION

15 For expenses, not otherwise provided for, necessary to
16 meet the responsibilities and obligations of the United States
17 in connection with the government of the Ryukyu Islands,
18 including, subject to such authorizations and limitations as
19 may be prescribed by the Secretary of the Army, tuition,
20 travel expenses, and fees incident to instruction in the United
21 States or elsewhere of such persons as may be required to
22 carry out the provisions of this appropriation; travel ex-
23 penses and transportation; services as authorized by section
24 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of indi-
25 viduals not to exceed ten in number; not to exceed

1 \$3,000 for contingencies for the High Commissioner, to
2 be expended in his discretion; translation rights, photographic
3 work, educational exhibits, and dissemination of information,
4 including preview and review expenses incident thereto; hire
5 of passenger motor vehicles and aircraft; purchase of three
6 passenger motor vehicles for replacement only; construction,
7 repair, and maintenance of buildings, utilities, facilities, and
8 appurtenances; and such supplies, commodities, and equip-
9 ment as may be essential to carry out the purposes of this
10 appropriation; \$5,250,000, of which not to exceed \$1,633,-
11 000 shall be available for administrative and information ex-
12 penses: *Provided*, That the general provisions of the Appro-
13 priation Act for the current fiscal year for the military
14 functions of the Department of the Army shall apply to
15 expenditures made from this appropriation: *Provided fur-*
16 *ther*, That expenditures from this appropriation may be
17 made outside continental United States when necessary to
18 carry out its purposes, without regard to sections 355, 3648,
19 and 3734, Revised Statutes, as amended, section 4774 (d)
20 of title 10, United States Code, civil service or classification
21 laws, or provisions of law prohibiting payment of any person
22 not a citizen of the United States: *Provided further*, That
23 expenditures may be made hereunder for the purposes of
24 economic rehabilitation in the Ryukyu Islands in such
25 manner as to be consistent with the general objectives of

1 titles II and III of the Mutual Security Act of 1954, and
2 in the manner authorized by sections 505 (a) and 522 (e)
3 thereof: *Provided further*, That funds appropriated here-
4 under may be used, insofar as practicable, and under such
5 rules and regulations as may be prescribed by the Secretary
6 of the Army to pay ocean transportation charges from
7 United States ports, including territorial ports, to ports
8 in the Ryukyus for the movement of supplies donated to,
9 or purchased by, United States voluntary nonprofit relief
10 agencies registered with and recommended by the Advisory
11 Committee on Voluntary Foreign Aid or of relief packages
12 consigned to individuals residing in such areas: *Provided*
13 *further*, That under the rules and regulations to be pre-
14 scribed, the Secretary of the Army shall fix and pay a uni-
15 form rate per pound for the ocean transportation of all re-
16 lief packages of food or other general classification of com-
17 modities shipped to the Ryukyus regardless of methods of
18 shipment and higher rates charged by particular agencies of
19 transportation, but this proviso shall not apply to shipments
20 made by individuals to individuals: *Provided further*, That
21 the President may transfer to any other department or
22 agency any function or functions provided for under this
23 appropriation, and there shall be transferred to any such
24 department or agency without reimbursement and without
25 regard to the appropriation from which procured, such prop-

erty as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred.

TITLE III—EXPORT-IMPORT BANK OF
WASHINGTON

The Export-Import Bank of Washington is hereby authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation, except as hereinafter provided:

LIMITATION ON ADMINISTRATIVE EXPENSES. EXPORT-
IMPORT BANK OF WASHINGTON

Not to exceed \$2,675,000 (to be computed on an accrual basis) of the funds of the Export-Import Bank of Washington shall be available during the current fiscal year for administrative expenses of the Bank, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) at rates not to exceed \$75 per diem for individuals, purchase of one passenger motor vehicle (for replacement only) at not to exceed \$6,250, and not to exceed \$9,000 for entertainment allowances for members of the

1 Board of Directors when specifically authorized by the
2 Chairman of the Board; and, in addition, not to exceed the
3 equivalent of \$200,000 of the aggregate amount of foreign
4 currencies made available to the Export-Import Bank for
5 loans pursuant to the Agricultural Trade Development and
6 Assistance Act of 1954, as amended, shall be available
7 during the current fiscal year for expenses incurred by
8 the Export-Import Bank incident to such loans: *Provided*,
9 That fees or dues to international organizations of credit
10 institutions engaged in financing foreign trade and neces-
11 sary expenses (including special services performed on a
12 contract or fee basis, but not including other personal serv-
13 ices) in connection with the acquisition, operation, mainte-
14 nance, improvement, or disposition of any real or personal
15 property belonging to the Bank or in which it has an in-
16 terest, including expenses of collections of pledged collateral,
17 or the investigation or appraisal of any property in respect
18 to which an application for a loan has been made, shall be
19 considered as nonadministrative expenses for the purposes
20 hereof.

21 TITLE IV

22 SEC. 401. This Act may be cited as the "Mutual Se-
23 curity and Related Agencies Appropriation Act, 1961".



86TH CONGRESS
2D Session

H. R. 12619

[Report No. 1798]

A BILL

Making appropriations for Mutual Security
and related agencies for the fiscal year end-
ing June 30, 1961, and for other purposes.

By Mr. PASSMAN

JUNE 13, 1960

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

June 16, 1960

HOUSE

MUTUAL SECURITY APPROPRIATION BILL, 1961. Began and concluded general debate on this bill, H. R. 12619 (pp. 11848-71, 11875-87). As reported by the Appropriations Committee the bill includes the following: Provides \$150,000,000 for technical cooperation, with a proviso that none of the funds shall be used to initiate any project or activity which has not been justified to the House and Senate Committees on Appropriations. Provides \$2,000,000 to finance the cost of ocean freight for relief supplies sent to needy persons abroad under the auspices of approved U. S. voluntary non-profit agencies. Provides \$550,000,000 for advances to the Development Loan Fund. Provides that none of funds appropriated shall be used to make loans to small farmers in foreign countries, or to study the advisability of a Point Four Youth Corps to train young people to serve abroad in the technical cooperation program. Provides \$5,250,000 for the Department of the Army for economic development, assistance, etc., in the Ryukyu Islands, with a proviso that the President may transfer to any other department or agency any of the functions performed by the Department of the Army. Provides that none of the funds appropriated for Defense Support, the Development Loan Fund, Special Assistance, or the President's Special Authority and Contingency Fund shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of such projects in the U. S.

Regarding the use of surplus agricultural commodities by the United Nations Relief and Works Agency, the committee report states as follows:

"In view of the State Department's concurrence that it is possible to substitute up to a limit of \$6,000,000, the use of P. L. 480 Title II commodities as our contribution to this program, the Committee urges the Department to take such action during the coming fiscal year. These commodities should be purchased from the Commodity Credit Corporation. If they are not purchased the corresponding dollar savings should be placed in reserve."

15. PUBLIC LAW 480. "The Daily Digest" states that the Agriculture Committee "ordered the chairman to introduce a clean bill to amend the Agricultural Trade Development and Assistance Act of 1954 (P. L. 480, 83d Congress)." p. D562
16. MINIMUM WAGE. The Education and Labor Committee voted to report (but did not actually report) H. R. 12677, to amend the Fair Labor Standards Act of 1938 so as to increase the Federal minimum wage level. p. D562
17. NONFAT DRY MILK. Rep. Marshall called attention to "the dangerous situation confronting the dairy industry as a result of the gross misuse being made of large quantities of surplus nonfat dry milk under our export subsidy and relief programs overseas," contended that dry milk was recombined with coconut oil and water in certain countries and sold as regular fluid milk, and inserted several items on the matter. He urged support for legislation to prohibit any dairy commodity produced in the U. S. from being sold or disposed of under Public Law 480 for use outside the U. S. for filled milk or filled cheese, and inserted portions of the testimony on the agricultural appropriation bill for 1961 in which he questioned Assistant Secretary McLain regarding this proposed legislation and a statement from this Department stating that it had taken steps to assure that nonfat dry milk sold under Public Law 480 is not being used in the manufacture of filled milk or cheese. pp. 11871-5
18. WOOL. Received the conference report on H. R. 9322, to continue the suspension of duties on certain coarse wool (H. Rept. 1883) (p. 11845). As agreed to by

the conferees the bill would make permanent the existing suspension of import duties on certain coarse wools imported under bond for use in the manufacture of rugs and carpets and certain other products, would add papermakers' felts to such list of products, and would provide that the standards for determining grades of wools to be those established from time to time by the Secretary of Agriculture.

Passed without amendment H. J. Res. 696, to provide for the designation of September 1960 as "National Wool Month." pp. 11846-7

19. PROPERTY; PERSONNEL. Received the conference report on H. R. 9881, to extend for 2 years, until July 1, 1962, the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders (H. Rept. 1835) (pp. 11845-6). The conferees deleted a Senate amendment which would have provided that the exemption from duties for a person or members of his family would be applied to article up to but not exceeding in aggregate value \$5,000.

The Rules Committee reported a resolution for consideration of H. R. 9996, to amend the Federal Property and Administrative Services Act so as to prescribe procedures to insure that foreign excess property which is disposed of overseas will not be imported into the United States to the injury of the domestic economy. p. 11891

The Agriculture Committee voted to report (but did not actually report) H. R. 9732, to authorize the Secretary of Agriculture to convey a tract of Forest Service property in Calif. to the county of Trinity. p. D562

20. HOUSING. The Banking and Currency Committee was granted permission until midnight Sat., June 18, to file a report on H. R. 12603, the housing bill. p. 11846
21. WATERSHEDS. The "Daily Digest" states that the Agriculture Committee "approved 13 watershed projects." p. D562
22. FARM LOANS. The Interior and Insular Affairs Committee reported without amendment (June 14) H. R. 6456, H. R. 6498, and H. R. 6529, to exempt certain debts owed by members of the Crow Creek Sioux, the Standing Rock Sioux, and the Lower Brule Sioux, respectively, to the tribes and to the U. S. (including certain Farmers Home Administration loans) from being treated as an offset against compensation received by them for land taken in connection with the construction of the Fort Randall Dam and Reservoir project.
23. CASEIN IMPORTS. Received the conference report on H. R. 9862, to continue the suspension of duty on casein (H. Rept. 1884) (p. 11846). As agreed to by the conferees the bill continues until June 30, 1963, the existing suspension of duty on casein and lactarene, but provides that the suspension of duty is not to apply with respect to sodium caseinate, sodium phosphocaseinate, or other caseinates, any of which casein or lactarene is the component material or chief value.
24. PERSONNEL. The Post Office and Civil Service Committee voted to report (but did not actually report) S. 2857, to amend the Civil Service Retirement Act so as to provide for refunds of contributions in the case of annuitants whose length of service exceeds the amount necessary to provide the maximum annuity allowable under the act; and H. R. 7810, to credit periods of internment during World War II to certain Federal employees of Japanese ancestry for purposes of the Civil Service Retirement Act and the Annual and Sick Leave Act. p. D563

Mr. McCORMACK. Mr. Speaker, this year, 1960, we celebrate a landmark in the history of textiles, the 200th anniversary of the American wool textile industry. The story of textiles is the story of mankind. We do not know when wool was first spun and woven into cloth. But long before the time of recorded history, woolen fabrics were made by the Swiss lake dwellers. Garments made of wool fabrics were worn by the Babylonians as early as 4000 B.C. Joseph's "coat of many colors," mentioned in the Bible, was said to be made of wool.

Skipping many, many centuries of world history, we come to more modern times. During the years of lusty growth of the 13 American Colonies, England was the world's leading wool textile manufacturer. And that was the basis for much conflict. The mother country, pursuing a policy of industrialization on the home front, attempted to thwart any development of industry in the Colonies. Strict mercantilism was the rule; the Colonies were looked upon as sources of raw materials for the mother country, markets for goods of English manufacture. This two-way trade served to enrich the coffers of enterprising English industrialists, as well as the entire island economy.

Attempts at colonial manufacture of woolen textiles and other products sowed the seeds of ferment in young America. The manufacture of woolen cloth was literally one of the foundation stones of our American Nation.

As early as 1699, the English Parliament passed an act forbidding exportation of wool and woolen manufactures from any colony in which such goods were produced. Nevertheless, by 1760, the beginnings of woolen textile manufacture, centered in New England, were well underway. It was the attempt by England to stifle independent industry and commerce that led in large measure to sounding the tocsin for liberty.

Then, as now, the woolen industry was a right arm of American fighting forces. It was during the American Revolution that woolen manufacture received its first great impetus for expansion. Cut off from imports, the patriots were hard pressed for warm clothing.

A few years after the successful conclusion of the War for Independence, Arthur Scholfield introduced factory manufacture of woolen yarn at Byfield, Mass. The year was 1794. These endeavors formed the beginning of the industrial revolution in this country.

In 1801 Merino sheep, producers of some of the finest wool in the world, were imported into the United States from Spain and France. This strain helped to improve domestic sheep. By 1810, around 24 woolen mills were operating in New England and nearby States. About this time, the manufacture of wool carpets and rugs began. Since then, the fame of these American products has spread throughout the world.

After 1830, improvements in machinery, the development of transportation, and growth of cities stimulated further growth of wool manufacture.

Then came the Civil War. Once again the clash of arms brought in its wake a

tremendous impetus for vast expansion of the industrial machine. Demand for uniforms, overcoats, woolen caps, mittens, and blankets stepped up woolen manufacture to previously unheard of heights.

Following the civil strife of the 1860's came the great push westward. The country was fairly dizzy with railroad building, construction of factories, and new cities. Woolen manufacture kept pace with the times, increasing to such an extent that before 1900 the industry was providing more than 90 percent of domestic requirements.

The horizons of history are dotted with wars. The 20th century has proved no exception, and during both world conflagrations which have occurred within the lifetime of many of us, the wool industry was a necessary adjunct to the war efforts. During World War II, the textile industry as a whole furnished 10,000 different items from uniforms to blankets and helmet liners.

We have seen the woolen textile industry grow to a giant among all American fields of enterprise. In recent years, like all branches of textile manufacture, woolens have been challenged by synthetic fibers.

But wool has met the competition from synthetics perhaps more successfully than most other natural fibers. There is an old maxim, "If you can't beat them, join them." Many wool textile manufacturers have done just that. Formerly utilizing natural fibers exclusively, they are now producing fabrics of mixtures of wool and dacron, wool and nylon, and other combinations. Fabrics of pure wool and wool used in combination with synthetics now have many consumer-desired properties, such as nonshrinkability, permanent pleating, crushproofing, mothproofing, and showerproofing. These are truly wonder materials.

Today the manufacture of woolen goods, including fabrics for clothing, blankets, upholstery, industrial materials, and carpets, is a multi-billion-dollar business. In 1957, the latest year for which data are available, the value of shipments of all woolen fabrics and carpeting amounted to nearly \$1.2 billion and in 1958 the payroll of the woolen goods industry totaled almost \$375 million.

We must not forget that the economic ramifications of woolen textile manufacture extends far beyond the borders of the industry itself. Large expenditures upon machinery are required. Such investments total hundreds of millions of dollars annually. The woolen textile industry has become a huge customer of the chemical industry, source of synthetic fiber materials. Woolen textile manufacture also requires hundreds of millions of dollars worth of fuel, power, transportation, paper products, electrical supplies, hardware, and packing materials.

Even as wool manufacture was a vital part of the economy during the early days of our Republic, so is it today. All industries today are characterized by constant technological changes. Woolen textile production has always kept pace with new developments. Excellence of

manufacture, plus ingenious new materials of wool and wool in combination with other fibers, I know, will insure the continued importance of woolen textiles for the unforeseen future.

It is proper that the contributions of those engaged in the American wool textile industry, past and present, be recognized on the occasion of the 200th anniversary of the establishment in America and in our hemisphere of this important business, which has contributed so much to the building and progress of our country.

FORCED WITHDRAWAL OF INVITATION TO PRESIDENT EISENHOWER TO VISIT JAPAN

(Mr. HERLONG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HERLONG. Mr. Speaker, the forced withdrawal of the invitation to President Eisenhower to Japan is another victory for the Communists. It points up more clearly than ever the ineptness of the free world in counteracting international Communist agitation. Both in the United States and in the rest of the free world we need to have dedicated, trained people who are knowledgeable and skilled in the art of counteraction to Communist propaganda. We needed them yesterday. If we get them tomorrow it will help. Who can say when it will be too late?

I again call the attention of the House to the fact that the gentleman from Minnesota [Mr. Judd] and I have introduced a bill calling for the creation of a Freedom Commission which would establish a freedom academy. At this school would be taught the science of counteraction to Communist propaganda about which it has been shown that we know so little. Students would also be instructed in the best ways to sell democracy to the free world in this great battle for the minds of men.

Some people have said that we cannot afford the \$2 million that it might take to establish this school. At the same time we are being asked to consider spending \$12 million to build a freedom wall in nearby Virginia. I have no objection to our setting up monuments to commemorate great events to remind us of the heritage that is ours, but a wall is a dead thing. Would it not be so much better to spend just one-sixth of that amount to create a living monument in the form of a school which could do something constructive toward the preservation of our way of life?

FORCED WITHDRAWAL OF INVITATION TO PRESIDENT EISENHOWER TO VISIT JAPAN

(Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, apparently our great President has been stopped from going to Japan at the request of the Japanese Government. I hope at least that certain public offi-

cials will not take this as an opportunity to further make excuses and justification for Mr. Khrushchev's insulting, horrible, and vicious attacks on the President of the United States. To do so would certainly be lending added aid and comfort to the Communists. It is a disgrace to the people of this country who use those tactics and a sad commentary on their Americanism. The fact that they are not presenting them as they should constitutes not only an attack on our President but also an attack on the United States. I pray they will cease, and I am sure the Members of the House also pray that they will. This is the belief of the people of my district, who tell me they bitterly resent insults to the President and to the United States. They dearly love their country.

CALL OF THE HOUSE

Mr. DORN of South Carolina. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 135]

Barden	Fountain	Morris, Okla.
Blitch	Hull	Moulder
Brown, Mo.	Jackson	Pfost
Buckley	Jensen	Rogers, Tex.
Burdick	Kearns	Shelley
Carnahan	Kilburn	Steed
Celler	Laird	Taylor
Durham	Loser	
Flynt	McGinley	

The SPEAKER. On this rollcall 407 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATION BILL, 1961

Mr. PASSMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12619) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 4 hours, one-half to be controlled by the gentleman from New York [Mr. TABER] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Louisiana.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12619, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

(Mr. PASSMAN asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Chairman, on page 16 of the minority report we find this language: "This is no time to 'kowtow' to Khrushchev or be soft on communism."

That is a rather serious, and certainly an unfounded, insinuation against the members of the committee of both parties who voted to report this bill to the floor, based upon commonsense and justifications, and not from yielding to pressure and propaganda.

I shall ask you this question at the outset: Are you willing to substitute propaganda from many sources and propaganda-inspired wires and letters for the diligent study and work of your committee?

Judging by what has happened recently in our foreign relations, it is even more evident now than previously that money alone will not get the job done.

The bill before you calls for new funds in the amount of \$3,384,500,000; unobligated funds to be reappropriated, \$52,514,000; and cash receipts anticipated, \$56,200,000. This makes a total of new dollar funds in the amount of \$3,493,214,000. This is the highest amount recommended for the mutual security program since I became chairman of the Foreign Operations Appropriations Subcommittee 6 years ago.

I heard earlier today over the radio that some of the liberal Republicans and some of the liberal Democrats have joined up to fatten the bill. They could have saved their trouble had they talked first with me or any other member of the committee, because the bill is already fattened. It calls for the highest amount recommended during the past 6 years.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Chairman, how often can one make a point of order that the House is not in order.

The CHAIRMAN. Any time that the House is not in order. Does the gentleman make the point of order that the House is not in order?

Mr. HOFFMAN of Michigan. I do, Mr. Chairman.

The CHAIRMAN. The Committee will be in order.

Mr. PASSMAN. Mr. Chairman, the funds now recommended for fiscal 1961 exceed the amount reported by the committee in 1956 by \$854 million. It exceeds the 1957 recommendation by \$680,940,000. It exceeds the 1958 report by \$968,554,000. It exceeds the 1959 recommendation by \$415,121,150, and the 1960 recommendation by \$306,714,000.

So great has been our outpouring of dollars to foreign aid recipient countries that they now have dollars in excess of their needs, and they are using these dollars to buy U.S. bonds and securities. In reality, therefore, we are paying these recipient nations interest on the dollars that we have given to them.

I might appropriately state for the RECORD at this point that our gold reserves in the last 7 years have dropped from \$23 billion to approximately \$19 billion. During that same period foreign dollar holdings have gone up from \$11.5 billion to about \$19 billion. You know, and I know, that foreign governments have a direct claim on our gold reserves. It requires what amounts to about \$12 billion to support our own monetary system, and that only leaves \$7 billion for other purposes. If there should be a run on our gold reserves you could not pay \$19 billion with \$7 billion. The holders of the gold, in addition to the foreign central governments, would have to transfer their holdings over to the government of their country in order to become eligible for a direct claim, but it could conceivably be done.

May I say also that the record is clear that we are pricing ourselves out of the world market for many items and in all probability this foreign aid program has been a major contributory factor.

I say to this House at this time that we had a trade deficit with Japan last year; we had a net trade deficit with all of Latin America last year. And if you exclude the shipment of surplus agricultural commodities last year we had a trade deficit with Europe.

I can say that we now can have steel delivered dockside at New Orleans, from foreign countries, at lower cost than we can get it from Philadelphia.

May I also remind that too many times we do not go as far as we should into the record. So, I say to you again that our public debt exceeds by \$47,744 million the entire public debt of all the other nations of the world.

And I want to say, too, it happens that every year when we handle this foreign aid bill, at just about this time, there is some tense international incident. I recall that one year an unidentified submarine was reported lurking in the waters near New York Harbor. And we had that headline across the Nation. In another year the Chinese Reds were stepping up their bombardment of Quemoy and Matsu. That caused some excitement. Then, in another year the Russian sputnik was in orbit. And that caused a lot of excitement. Another year the U.S. Marines were landing in Lebanon, and again we had a fight on our hands. Another year the Nixons were being spat upon in Latin America. That, too, cost us some extra money.

Of course, in this year, there was the U-2 incident. And, as long as we are Members of this House, and I am sure long thereafter, there will be varying types of incidents. That fact in itself should convince us that money alone will not cure our ills.

There is more interference from more quarters and more pressure concerning this bill than in all of the other money requests that the Congress is asked to consider. With this bill, if the requests of the administration are justified, why do we get such pressures and propaganda as we do?

Why is this program so fouled up and uncontrollable? One part of the answer is a simple one. These are the different directors of the program since I have

been chairman of the subcommittee: Mr. Stassen, Mr. Hollister, Mr. Smith—and we were told that 18 men refused the directorship before Mr. Smith finally accepted. Then we came to Mr. Saccio, who was Acting Director, and the Director at this time is Mr. Riddleberger. And he is there because they had to pull in a career man so that he would not quit the job.

I want to say that those people are told much of what to do. And when they find that they actually have little to do with managing the program, they usually resign and the subordinates let the program run wild. So, as a result, everybody's program is nobody's program.

I have been accused of being a party to ruining this program ever since I have been the subcommittee's chairman. That is a harsh indictment against one who has tried to live up to his responsibilities and to help put some sense into the program. This committee is entitled, I believe, to your commendation, not your condemnation.

Mr. Chairman, I want to say this—and I shall document this so that you may take it into account later in the day—that back in 1957, when we were considering the appropriation for the fiscal year 1958, they called a White House conference. I was invited. We had some very fine men there; Mr. Saltonstall, Mr. Knowland, the Speaker of the House of Representatives, and Joe Martin, and others. There were many dignitaries, along with the chairman of this committee.

After considerable deliberation they finally invited me to make a statement. I was shaky; I do not mind acknowledging that, because I knew I was going to tell the President the truth. I said, in effect, "Mr. President, your subordinates have misled you. They have not given you the facts. I can report to you, Mr. President, that just a few hours ago \$538,800,000 in military funds were allowed to lapse because they had no justifications and they could not even reserve them." He turned to a secretary and verified that information. Immediately afterward, the meeting broke up, and I have not been back to the White House since. However, I have sought opportunity to discuss the program with the President so I could point out to him, as I did that year, something of the weaknesses and the hidden money which I do not believe the President knows about. Such an opportunity did not materialize. I asked my friend, the gentleman from New York [Mr. TABER] a few days ago to please get an appointment for me with the President. He said he would try. I have not heard about it from Mr. TABER, either.

Now, Mr. Chairman, let us face this matter realistically. It is not our personal money that we are giving away, but it belongs to the people we represent. Working conscientiously to do a good job, I can report to you that even though we have "ruined" the program every year since I became chairman of the subcommittee, we have reduced the President's request in 5 fiscal years by \$4,071,003,750, only to have it acknowledged later that our action had helped to improve the program.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I might say in connection with my friend's statement that he tried to make an appointment that this is the eighth year of the present administration and the Democratic leadership in both branches has never been asked to meet before the fact. Any meeting we have ever had has been just a briefing or an after-the-fact disclosure.

Mr. PASSMAN. I thank the majority leader.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Minnesota.

Mr. JUDD. I happen to have been present a time or two when Mr. Dulles even came up to the House to ask our advice. I recall the Speaker was there on one occasion when he consulted us about the problem we faced, early 1955 when Formosa was being threatened. Mr. Dulles asked what policy we would suggest and what kind of language we would put into a resolution which was being considered as a possible policy statement. We went over a tentative draft sentence by sentence and gave suggestions. There were other times when I happened to be present at bipartisan consultations in the State Department, before policies were decided.

Mr. McCORMACK. If the gentleman will yield further, at any meeting I have ever attended, and as far as I know any Democratic leader has ever attended, we have been told certain things, we have been given a briefing. We have had the opportunity to ask questions, but in a meeting of that kind if you ask two questions you are asking one too many. So that there has never been any meeting I have ever attended and, as far as I know, the Democratic leadership, where we were asked to try to have a meeting of the minds and a frank discussion as to where we could get together on legislation, not only this but any legislation. It was just the difference between being there before the fact and being simply briefed.

Mr. PASSMAN. I thank the majority leader. I am not an orator, nor an attorney, but I am a conscientious Member of this House trying to do a creditable job for the American taxpayer. I am going to present our case based upon the testimony and the justifications. I will document our case accurately; and I say without fear of successful contradiction, you are not going to be able to tear my figures down—try as hard as you may.

Mr. Chairman, every year, as you are aware, this charge has been made—that the cut in the funds would destroy the program. But let us see what has really happened.

From page 189 of the hearings for the fiscal year 1958 appropriation, you find this question:

Mr. PASSMAN. Will you agree with me that we actually appropriated too much money for these agencies last year?

This is the answer by Director Hollister:

Mr. HOLLISTER. More than they were able to obligate.

From page 13 of the hearings on the fiscal year 1959 appropriation, there is the following question:

Mr. PASSMAN. Are all phases of the mutual security program financed and are commitments being met to a reasonable measure at this time?

The following is the answer by Secretary Dillon:

Mr. DILLON. They are sufficiently financed. Yes, Mr. Chairman.

In this colloquy, from page 251 and page 252 of the hearings for fiscal year 1959 appropriations, there is the following:

Mr. PASSMAN. Mr. Secretary, there has been a tremendous amount of publicity given to the foreign aid programs indicating that great damage has been done to this program in the past. However, would the evidence not indicate our commitments are being lived up to in a reasonable manner?

This was the answer by Secretary Sprague:

I feel that your statement is substantially correct. The reductions that Congress has effectuated in this program have assisted the executive branch in administering the program in a more efficient manner. There is no question about that.

May I say this, with reference to all the howling in the past about the committee ruining this program, that in addition to all the money that was obligated, and in this program with the military, if they cannot obligate they reserve—and after all the trouble they go to trying to obligate and trying to reserve, the actual figures for each fiscal year—1956, 1957, 1958, 1959, and 1960, the total amount of unobligated funds that would have lapsed if we had not reappropriated the money amounts to \$818,653,000.

Do you not think we are entitled to your commendation, rather than your condemnation, for doing a creditable job for the Nation? From our hearings on the 1961 bill, I quote the following colloquy, from page 507:

Mr. PASSMAN. If we had given you the money you asked for, you would have used it in this program. You would have bought something whether you needed it or not, and it would have been, today, in excess.

General NORSTAD. If you had given us, every year, everything we had asked for, the total at the present time would indicate some overages that now make; that is correct.

Mr. Chairman, this is the sixth year that it has been my privilege to present for your consideration the mutual security appropriation bill. The bill before you calls for \$300 million more than the bill presented last year for the military assistance program.

This year, the justifications are weaker, but the pressure is stronger. It is customary in almost every field of endeavor to talk most on the weaker points. Big guns will be fired today. But, in the end, if you will base your decision on the facts, rather than fancy, you will support the committee.

May I say now, as I have said in the past, without mental reservation and without fear of successful contradiction, and supported by the testimony of others, that a major trouble with the program is, indeed, too much money, and

not too little. If you want to get the true picture of this situation, I invite you to read the GAO reports.

Mr. Chairman, I wish I had the strength of Samson, and of Johansson and Patterson—and it would require that kind of strength to combat many of those who have a downright selfish and personally profitable interest in the program, such as the 44,000 employees of the mutual security program, high-ranking military personnel, the prestige of the White House and the State Department, the many colleges and universities in 30 States and the District of Columbia which have contracts under this program, and numerous others.

I repeat, we have been on the receiving end of pressure from all phases of the program, the prestige of the White House and the State Department, the many colleges and universities in 30 States and the District of Columbia who have contracts under this program, and the others. Administration leaders at the top echelon are too busy and without sufficient time to hear the other side of the story. Their recommendations and beliefs are based practically entirely upon the presentation of only one side of the story.

However, for 6 years you have supported the committee's recommendations, and without exception have found that you had acted wisely, and that we had not misled you or misrepresented facts. Support the committee again and you will be on even firmer ground than you have ever been.

I have endeavored to face up to the tremendous responsibility assigned to me and have conducted during the past 10 months, studies, listened to briefings, and held hearings and made inspections in many nations of the world. More than 10,000 pages of transcript were taken in our hearings this year, and later condensed into more than 3,000 printed pages of hearings. I might add that the committee conducted closed-door hearings in the Republic of China, Denmark, the Netherlands, France, Norway, and Belgium, the latter two moving their witnesses to designated spots in order to accommodate the committee.

The hearings are most voluminous and more self-condemning than ever before—voluminous notwithstanding the fact that possibly 25,000 words have been deleted and not for security reasons alone, but to save downright embarrassment to many of those connected with the program. You may go to the committee room and read for yourselves what they deleted. Believe it or not, they even took out quotations from newspaper clippings.

So, I say that this program has developed into a monstrosity. It is indeed a mild characterization, considering the diversity, the broadness, and complexity of the program. The hearings will indicate that some of the witnesses implied that the program has become so complicated that they themselves do not understand it.

Past, present, and planned, we are in 77 nations of the world with this program, and in 60 of these nations they have received or soon will receive military assistance.

The total amount spent on all phases of foreign aid since the end of World War II through June 30, 1960, stands at \$103,209 million.

The grants, gross credits, investments in international institutions and other assistance amount to \$87,840,168,000.

The total cost of all phases of foreign aid to the American taxpayer is now averaging \$10,841 million annually. This includes 4-percent interest only on the \$87 billion of money we have borrowed to give away. The total cost, therefore, of all foreign aid to the American taxpayers is now approximately \$30 million daily.

Mr. Chairman, it might be well to establish, and later it may well be established, that I am one of the best friends the foreign aid program ever had, because if its weaknesses, abuses, extravagances, and mismanagement are not checked and brought under control the entire program might eventually fall of its own weight, by the demands of the indignant American taxpayers.

The greatest abusers and manipulators in the program are the military. They cannot stand to be questioned or pinned down. They are infuriated when their lack of knowledge of the program is pointed out. They expect those stars to blind you, Mr. Chairman, and when you press your point in all but a few instances, they stare at you with what appears to be contempt. Clever as they may be, there are a lot of unanswered questions.

Apparently they want us to appropriate on fiction, and not on facts.

It would appear that when they need a dozen screwdrivers they buy a gross. There is abundant information concerning these conditions. Much of it is running in the Washington newspapers at this time, pointing up the waste and inefficiency of the military procurement system. They have used the mutual security military assistance program in many instances to unload billions of dollars on the program, representing their own overpurchases.

Mr. Chairman, the total amount of military assistance since the inception of the program stands at \$25,252 million to all of the nations receiving equipment and services in the military category, a total of 60.

The belief that once the requirements had been filled the program would decrease prompted me to request a letter and a report and to make some on-the-spot inspections and studies.

On June 27, 1958, warehouses throughout the world bulged with military equipment the countries did not need.

Here is what a high official in the Defense Department said to me in a letter, the letter which I hold in my hand:

DEAR MR. CHAIRMAN: You may recall that I reported to you I had requested the military assistance advisory groups in the Near East to assist me in arriving at a percentage of equipment delivered since the beginning of the military assistance program that is currently available and serviceable for combat.

I now have the information from the military assistance advisory groups and have arrived at an estimate of 92 percent. This figure was derived as the weighted average on information I had in Iran, Greece, Turkey, and Pakistan.

Then they give the estimates as developed from separate data on ships, aircraft, tanks, and combat vessels, motor transport vehicles, weapons, electronics and other equipment, and that information is available for any person's inspection.

I decided to follow this up with on-the-spot studies and hearings. The transcript of those hearings is here on the table. The information is classified, but any Member is privileged to come here and check my figures.

We found out that in Denmark 95 percent of the equipment we had given them was on hand and ready for use if needed; Norway, 87 percent; The Netherlands, 90 percent; Belgium, 90 percent, and China, 82 percent. The Comptroller General's report certainly points up these facts.

If there is any question in your mind about the accuracy of what I am detailing to you, please check the record:

Military assistance program, United States gave 421 jet planes to a Far Eastern country, the air force of which boasted only 186 qualified jet pilots.

The Military shipped 255 tanks to a country that had an active tank force of only 30 men. This figures at over 8 tanks per man in the tank corps.

The Defense Department shipped to Germany more F-84 jet planes than there were pilots in that country. When caught, they had a vague excuse. They explained that storage charges are less in Germany than in the United States.

They shipped to another country 391 planes at a total cost of \$70 million, and by the fall of that year 45 of the planes had been placed in permanent storage and 160 in temporary storage.

They delivered to Ethiopia three Army surgical hospitals. At the time of the program there was only one native doctor in the Ethiopian Army.

Examples of similar types are practically innumerable.

The Comptroller General warned the Congress that as a result of such excessive arms shipments many countries are building up a military force which the United States may be unable or unwilling to support indefinitely.

Commenting on the GAO criticism, Secretary Dillon stated, and I read you his remarks:

"The Comptroller General said also that certain of these deliveries are in amounts that the countries concerned will be unable to support themselves. That is certainly true, and in the case of these Far Eastern countries, we recognize that.

The Comptroller General's current criticism is based on a series of 10 GAO reports, all of them classified for security reasons, or so they say; the military, that is. The military program in these countries you will find in these reports here on the committee table. The Comptroller General's criticism appears to back up the charges that the Defense Department is using the highly secret military aid program to get rid of surplus military equipment.

Here is an article from the Wall Street Journal, dated November 2, 1959, and I quote:

Treasury-State Department battle looms over foreign aid outlay in new budget. The State Department, which oversees joint eco-

nomie and military aid, is pressing for a larger request, officials disclose, on the ground that Congressional paring may reduce the lowered request to dangerous levels.

In discussing this matter, the gentleman from New York [Mr. TABER] summed it up better than I can when he said, and I quote:

Mr. TABER. I have been around here for a long time and I have never known of a time when there was not an asking price. You have to expect that and not get too much disturbed by the fact that there is an asking price.

I know Mr. TABER and I still agree, and that is why I understand the difficult position in which our distinguished senior colleague is placed today.

But, Mr. Chairman, I was so alarmed over this asking price, and Mr. TABER's support that there is an asking price, that I suspended our subcommittee hearings and, accompanied by the gentleman from Arizona [Mr. RHODES] and committee staff members, from one Friday night to the following Friday night we examined the military assistance programs covering five countries. The conditions there in the military assistance programs ran true to form.

In countries A, B, C, and D we found military equipment on hand in excess of requirements and available for redistribution in the amount of \$214,543,000, and country E had \$100 million in excess. The total cost of excess military equipment in those five nations alone was more than \$314 million.

On page 4 of the Comptroller General's report dated May 16, 1960, he said this:

For example, in one country the MAAG was aware that consideration was being given to deactivation of certain country forces as early as 1957. However, MAP supported force goals in that country were not adjusted until January 1959 at which time the program was substantially advanced and over 90 percent of the conventional equipment programed had been delivered. In this country quantities of equipment, estimated to exceed \$100 million, are now excess to the needs of the forces currently approved or contemplated for MAP support.

Although certain of the excesses resulted from deliveries made before there was knowledge of the country's plans for reducing its forces, substantial quantities of unneeded equipment were programed and delivered after the country's plans for deactivation became known.

They kept rolling it in.

Overcharges to the military assistance program run into the hundreds of millions of dollars, even though the Defense Department will make no admissions of this fact. This is a "husband-and-wife" deal. The same people who overbuy have the right, at the same desk, to move it out and charge it to the military assistance program.

They told me, the first year that I served as chairman of the subcommittee, "Oh, what a charge you are making, that we have overcharged the military assistance program."

And while we were in conference, there was a check of \$302 million that got so hot the Air Force could not handle it. It was so hot that the military assistance program could not catch it. But, in con-

ference I said that the \$302 million check must be explained. Then, they admitted the truth.

I think it possible that the Defense Department owes hundreds of millions of dollars in overcharges to the military assistance program.

Mr. Chairman, the defense support program, too, runs true to form. I think I should indicate that "defense support program" is a misnomer. It is, in fact, outright economic aid.

I respectfully urge you to turn to page 2206 of the hearings, where you will find several pages of projects. You may not agree with me, but I think the Chair might have to call you down when you possibly start laughing over some of the projects which they have set up under defense support. Let me give you just a couple of examples of how this program operates. I am referring now to page 2239 of the hearings:

Mr. GARY. Page 89 indicates you are proposing to set aside up to ——— as a cushion for China's needs for foreign exchange.

The dollar amount is blank, but it runs into millions and millions. And what do they say about that? That it is as a cushion for that country's need for foreign exchange.

Then, referring further to the record:

Mr. PASSMAN. We have to do this to indicate to them our earnestness? You made that statement, I believe.

Mr. ROSEMAN. If I did, sir, I misspoke.

Mr. PASSMAN. As a token of our earnestness.

Mr. ROSEMAN. Yes.

So, they are setting aside so many millions of dollars—I cannot tell you how much—as a cushion in connection with this country, should they later need it.

Let us take another item under this untouchable and sacred defense support—economic aid in Vietnam. They started a highway system. They said it was going to cost \$18,300,000. At a subsequent date they decided to enlarge upon this program, and they amended it by several million dollars more. So my friend, the gentleman from Georgia [Mr. PILCHER], and the gentlewoman from Illinois [Mrs. CHURCH], and others of a special study mission, wrote a report, one of the finest I have ever read, and I have never heard one word to discredit it. The agency gentleman came back and said that this highway was now costing \$85 million, but the study mission said it would probably cost \$100 million.

I talked to Mr. PILCHER and to the others and decided to do a little investigating, too. We started to interrogate the witness about this matter and he told us that it could not cost \$100 million. We recessed the subcommittee, and we got our pencil and paper together and started to put the figures down. When we went back to the hearings he admitted that, with the local currencies involved, it was already up to \$129,900,000, for that one highway project. Now, that is the record.

Consider the Johns Hopkins contract, just briefly. Do you realize that we are paying \$800 a month for tuition, \$4,000 each of tuition, for a class of 20, for about 5-month terms? We find that

some of the ICA people are instructing other ICA people. But we are paying \$80,000 for each 5-month course, which is about the highest tuition cost that has ever come to my attention.

As to the new projects, I think there are few Members of this House who realize what we are up against except possibly those on the Foreign Affairs Committee. It is a great committee, and we are not interfering with their prerogatives. We are writing limitations in the bill because these people said, "We do not even read your report." So we wrote some limitations into the bill, to specifically deny the projects. They did not, before, pay any more attention to us than the man in the moon.

These people go out and they throw this money in behind an obligation. Then they come in for new funds. After we give them new funds, we go home, trying to get reelected, and they start deobligating. With the deobligated funds they can start just as many new projects as they want, without justifying them to any committee of Congress. When they come in to us with a continuing category of projects we do not know whether they are old or new ones. If you take the estimated cost and then project the cost to completion, it is evident that these projects can go into hundreds of millions of dollars.

You wonder why the colleges and universities have such a terrific interest in this proposition? We have in force at this time 676 contracts with 56 different colleges, universities, nonprofit institutions, and so forth. The cost is \$347,636,700.

Now, a few words about the Development Loan Fund, if I may. You know, and I know, that this is not in fact, a loan. Calling it a loan is a misnomer. Most of us agree on that. This so-called loan is repaid in local currency. We cannot spend that currency in the country until the country agrees for us to spend it. You cannot bring anything out of that country, you cannot spend it in any other country. It is to the credit of that country. If you get any dollars back, the dollars do not go to the Treasury for some other program.

Let us look at the trap in which we have got caught. It simply means that if you give nation A \$100 million and you get local currency back, you cannot spend that currency until you reach an agreement with that country. If they do not like it, that \$100 million is completely gone.

Do you not think it might be better to give a direct grant than to call this a loan, when you cannot buy anything with it or pay debts with it?

There are going to be some big guns fired today. If you will read the report, I have every reason to believe you will support this committee. I did not ask for this job, but, having accepted the assignment, I have been, and am, determined to do as good a job as possible for the committee, the Congress, and the Nation. I have spent some 300 days this year trying to give you justifications and a report so that you could afford to support and possibly commend this committee, not condemn us.

The conditions involved in this program should be understood. The facts should be brought out into the open.

I trust that as we deliberate this bill later in the day there may be opportunity to detail for you some of the other information I have now on the military that I am not going to divulge until the proper time, but getting it was about as difficult as twisting a rabbit out of a hollow log. But I have it, and I will reveal it at the proper time.

Mr. MERROW. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield briefly.

Mr. MERROW. I received, and I assume every member of the committee received, a letter from the very able gentleman yesterday including a table showing the available amount of money for expenditure in the fiscal year 1961. I ask the gentleman for information. At the bottom, in the recapitulation, the unexpended funds, including unobligated funds, amount to \$4,713,665,000. I wonder if the gentleman would tell me what the unobligated funds would be?

Mr. PASSMAN. The estimated unobligated funds amount to \$52,014,000. Those funds may not remain unobligated by the end of this fiscal year. They have until then to obligate those funds. But I might say that there will be hundreds of millions of dollars of those funds reobligated, if history means anything. I will have more to say later about that. But, I do want to say to the gentleman, there is more money at this time in the bill than the total amount after this bill had gone through conference last year. Make no mistake about it. All of us know that this bill is going over to the other body, and there will be some adjustments before it is finally completed. So, if you load this bill up here, you do not leave us any room to save any money. I trust that you will support your committee.

Mr. MERROW. Mr. Chairman, will the gentleman yield further?

Mr. PASSMAN. I yield to the gentleman from New Hampshire.

Mr. MERROW. Did the gentleman say that the unobligated funds amounted \$52 million?

Mr. PASSMAN. Yes; \$52,214,000.

Mr. MERROW. Then, actually, according to this table, the new funds you have listed is what is included in this bill plus the unobligated funds and sales receipts, and that money then is the only money for new projects because the rest of this is obligated; am I correct?

Mr. PASSMAN. That is correct, but that is more money than has been provided in the past 6 years.

Mr. MERROW. In view of the fact that this is a procedure which is carried out by all departments of the Government and the Department of Defense itself has unexpended funds as of June 30, 1960, amounting to \$31.3 billion and unobligated funds amounting to \$7.5 billion, I cannot see how the conclusions in the gentleman's table are an argument against mutual security.

Mr. PASSMAN. I am not arguing against the bill. I am only asking you to support the committee's recommendations for the appropriation.

Mr. MERROW. Excuse me, I mean that the gentleman's table headed "Mutual security dollar funds available for expenditure in fiscal 1961," is not an argument against the mutual security program.

Mr. PASSMAN. I am not arguing against the mutual security program. I am trying to save the mutual security program. If we let this program get completely out from under control again, we will never be able to bring it back under control.

Mr. MERROW. What are the funds available for new projects?

Mr. PASSMAN. If I may point out again, there may be \$3,493,204,000 for new projects, which is the greatest amount which has been available for new projects in the past 6 years, since I have been chairman of the subcommittee.

Mr. MERROW. But it is still a cut from what all the experts advise; is it not?

Mr. PASSMAN. What experts are you talking about?

Mr. MERROW. I am talking about the witnesses who testified before our committee.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. GARY. Will the gentleman name the experts he is talking about?

Mr. MERROW. You have asked me who the experts are. Well, in conducting a hearing, we ask the people from the Department of State and from the Department of Defense and those who have been living with the problems to testify before our committee. These are the people I refer to as being experts and from the advice of all of these people, the minimum we should appropriate is what the Congress has authorized.

Mr. PASSMAN. They say regularly that we are going to destroy the program if we reduce the appropriation, and then in subsequent years, after we have reduced the funds by a total of approximately \$4 million it is acknowledged that we helped to improve the program as a result of our actions; nevertheless, we continue to be accused of wrecking the program. They make many conflicting claims and statements which in many cases are not supported by the facts. Is that the kind of expert testimony to which you refer?

Mr. MERROW. Then the gentleman claims that it is useless to consult with the departments.

Mr. PASSMAN. I am asking you to listen to our committee. We have never misled you. We base our recommendations upon the facts, and certainly in the interest of our Nation.

Mr. MERROW. Mr. Chairman, on June 14, 1960, I received a communication from the chairman of the Foreign Operations Subcommittee on Appropriations discussing foreign aid. Attached to the letter was a table showing the mutual security funds by program and amount with the note "Available for expenditure" fiscal 1961 which begins July 1, 1960. It is my intention to present an explanation of these figures, and may I state that the conclusion one reaches in respect to the funds involved depends

on his definition of "available." The plain fact is that over 50 percent of these funds are not available for new programs during the new fiscal year as is obvious from an objective evaluation.

This table to which I have referred, by way of recapitulation, indicates that mutual security funds available for expenditure in fiscal year 1961 total \$8,154,365,000. It is pointed out in this table that more than half of this amount—\$4,713,665,000—is from unexpended funds as of June 30, 1960, from previous appropriations, another 40 percent of the amount is from new funds recommended for appropriation for fiscal year 1961 and the balance—\$56,200,000—for fiscal year 1961 from such sources as sales of military materiel, loan repayments and reimbursements from special and technical assistance and ICA administrative accounts.

It will help to clarify this picture if we look to the next fiscal year. It is now estimated that the unexpended balance as of June 30, 1960, will be \$4,713,665,000 and the amount of money unobligated as of June 30, 1960, \$52,514,000. By subtracting \$52,514,000 from the unexpended balance, we get \$4,661,151,000. All of this is obligated for various programs and the only money available for new projects from previous appropriations is \$52,514,000.

Now should the Congress appropriate \$4,086,300,000, the amount we have authorized, the total funds available for the next fiscal year would be \$8,799,965,000? This figure is arrived at by adding the assumed appropriation—\$4,086,300,000, the obligations—\$4,661,151,000, and \$52,514,000 unobligated as of now, plus \$56,200,000 of sales receipts. On superficial analysis, it would seem to be a large sum of money but actually since \$4,661,151,000 is obligated, the only money available for new projects from previously appropriated money would be \$52,514,000.

For the purpose of clarification, if the Congress refused to appropriate any new money, then by the end of the current fiscal year, there would be \$52,514,000 of unobligated funds plus sales receipts of \$56,200,000 to carry on the program and, in a short time, the mutual security effort would come to a halt because the pipeline would be cut. Therefore, by whatever figure the Congress reduces the authorization request, that figure is the amount by which the pipeline for foreign assistance is reduced. It would seem to me that, although if full appropriation were made over \$8 million would be available for expenditure, we ought to make it perfectly plain that since considerably more than half of this amount is already obligated, then the only money available for the purpose of continuing the program is what the Congress appropriates plus the small amount of unobligated funds and sales receipts at the end of this fiscal year.

By whatever we cut appropriations, we cut the pipeline and do irreparable harm to the program.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. GARY. I gathered from the gentleman's statement that the experts

referred to were the gentlemen who were spending these funds and were responsible for the very waste that is pointed out in the report.

What the gentleman is trying to do is not to wreck the program but to point out the waste.

Mr. PASSMAN. The gentleman is correct.

Mr. Chairman, now if I may continue with my remarks, let me say again that although we are dealing here with that portion of U.S. foreign aid which is known as the mutual security program—a name which, incidentally, is a misnomer—let me reiterate that it should be understood that many billions of dollars in foreign-aid funds are not carried in this so-called mutual security bill. The fact, I say to you again, is that the aggregate of foreign aid not carried in this particular bill actually exceeds the amount which is included in the bill. This other aid, apart from the mutual security funds, includes grants and loans under seven separate lending institutions, assistance through the operation of Public Law 480—involving the disposal of surplus agricultural commodities—overseas military construction, and billions of dollars in accumulated foreign currencies.

So, I say to you once more that, overall, the total of our foreign assistance programs since the end of World War II has exceeded the astronomical sum of \$100 billion.

As chairman of the Appropriations Subcommittee handling the funds for the mutual security phase of foreign aid, I think I should again note that, year after year, our committee is forced to work against tremendous odds in endeavoring to write a reasonable bill. The pressures and propaganda exerted by and emanating from many quarters are of shocking proportions. The approximately 44,000 employees and 10,000 trainees of the mutual security program, scattered in 77 nations of the world; the White House and the State Department and their prestige; the Defense Department; hundreds of large manufacturers who profit from the program; many colleges and universities which also profit from the program; church organizations; much of the press and other information media—all of these, and literally hundreds of other organizations, inadequately informed or misinformed, or both, are constant and powerful proponents of more foreign aid.

But, as I have already said and documented, the truth of the matter, as consistently developed in the hearings of our subcommittee, in considering the annual requests for funds—and as also stated by the Comptroller General of the United States—is that a major weakness of the program is too much money, and not too little. I tell you again that this is so despite the fact that the actions of our committee and the Congress for the 5 years through fiscal 1960 cut approximately \$4 billion from the mutual security budget. It will continue to be true for fiscal 1961, notwithstanding the reduction below the budget in the bill now before you.

In continuing to resist the unwarranted pressure and propaganda for an excessive amount of foreign-aid funds, let me reassert that our committee's efforts are aimed at bringing this grandiose, worldwide spending program under at least a semblance of control. It has been—and it is now—our purpose to provide adequate funds to meet the commitments, but with the decisions made more upon the basis of needs, rather than upon unfounded bureaucratic desires.

Permit me to repeat to you that during the period from July 1, 1945, to June 30, 1959, the United States had extended to foreign countries and international organizations—and this is exclusive of the total for overseas military construction and currencies generated through surplus commodity sales—gross aid amounting to \$76,471,617,000.

In addition to this aid, the United States had extended foreign assistance in the form of capital investments in three international financial institutions—the International Bank for Reconstruction and Development, the International Finance Corporation, and the International Monetary Fund—through June 30, 1959, in the amount of \$4,795,168,000.

A further form of foreign aid, I remind you once more, is the accumulated foreign currency balances resulting from transactions in connection with sales of agricultural surplus commodities and partial utilization of these funds. On June 30, 1959, such net assistance had amounted to \$2,119,764,000.

Total gross foreign aid, including the phases enumerated—but exclusive of overseas military construction—from July 1, 1945, through June 30, 1960, amounts to \$87,849,168,000. The amount for fiscal 1960 is estimated.

Then, add to that figure the expenditures for overseas military construction since July 1, 1945, and the aggregate soars to more than \$100 billion.

Figures which I have previously presented have shown that as of July 1, 1959, a total of \$14.9 billion of foreign aid money was available, under existing legislation, for utilization in the fiscal year 1960 and thereafter—and that sum did not even include the mutual security appropriation for fiscal 1960. A table which I prepared more recently, and distributed to the Members, showed that a total of \$8,111,521,750 was available for expenditure in the mutual security program alone in fiscal 1960. This money included \$4,837,708,750 in unexpended mutual security funds as of June 30, 1959; \$3,225,813,000 in new mutual security funds appropriated for fiscal 1960, and other new funds for fiscal 1960 amounting to \$48 million.

Despite all this spending on the part of the United States, it is clearly evident that our foreign aid has not accomplished the purposes for which it was intended. Nevertheless, many of our leaders remain eager to borrow vast sums of money to continue many unbelievably lavish and inexcusably wasteful programs.

However, it is my contention—based upon careful study of our own fiscal

affairs and 8 years of close association with the vast and complex so-called mutual security program—that this Nation's financial position is such that this aid must be substantially curtailed.

The U.S. public debt is unprecedented. The Director of the Budget has put our debt and domestic commitments at \$¾ trillion; and that does not take into account our commitments for the future through foreign aid. Our taxes are at the point of being confiscatory. Yet, during the past three decades only five times has our budget been balanced. Our gold reserves stand at about \$19 billion; and foreign dollar credits stand at approximately the same figure. If foreigners should call this gold—which they could conceivably do with respect to most of it, if they should so elect—the value of our dollar would become all but worthless.

U.S. Government obligations held by foreigners have been stated at about \$12 billion. Government interest payments on these obligations alone are said to amount to more than \$500 million annually; and these interest payments themselves constitute another form of foreign aid.

The announced Communist objective is world domination. The prime requisite to block this sinister Red ambition is a sound American economy and, I believe, supremacy in our military power. It is elementary that without a sound economy we cannot defend ourselves. Without superior military might no national and free world strategy is likely to succeed.

But, realistically, what are our leaders doing—and particularly with relation to the mutual security program—toward achieving those goals? The answer must be, relatively little that is effective.

Despite conclusive evidence that, due to obvious uncorrected weaknesses—including inadequate planning and poor administration—the mutual security program has failed to achieve the results its proponents have anticipated toward the strengthening of our own security and the establishment of peace and security for the free world, the President requested a total of \$4,175 million in new funds for the program in fiscal 1961. In addition to the mutual security funds, as such, it must be kept in mind that large sums of additional funds will be made available to the mutual security program under Public Law 480, as well as aid given through the numerous other sources.

And the wasteful, lavish spending continues.

Many nations, including some of those which are relatively newly independent, seek to build prestige by constructing huge dams, steel mills, and superhighways before there is need for such grandiose projects. As a result, the International Cooperation Administration, which administers the economic phases of the mutual security program has acceded to far too many requests for such projects; and there have been too many projects begun without proper planning, determination of need, or benefits to be derived. Entirely too much emphasis

has been placed on meeting personal desires of the political leaders of the recipient governments; and too little emphasis has been given to common-sense thought and action.

In too many instances there have been a multiplicity of unjustified projects, and, further, inadequate planning has resulted in the undertaking of many impractical and unsuitable projects in numerous countries. Such conditions have led, of course, to more excessive spending and additional waste of U.S. funds.

Examples in documentation of these charges could be cited by the hundreds, and very many of them—some of which I have already reviewed—are illustrated in detail in the record of the hearings of the subcommittee which I have the honor to serve as chairman.

Yet, while the waste runs rampant, each year there has been further shrinkage in the degree of control exercised over the so-called mutual security program by the Congress, and it follows that progressive loss of control of funds inevitably leads to loss of administrative control. But, despite the fact that the American people are being asked to continue to pour vast sums of money into the program, the presidential request for funds in fiscal 1961 again made no suggestion for strengthening congressional control over the programing and expenditure of funds. Nor was any recognition seemingly given to the fact that very many of the projects do not have economic justification, let alone a defense requirement.

The foreign-aid program is administered by an increasingly large number of personnel without noticeable increase in efficiency. This has led to the establishment of an entrenched, self-perpetuating bureaucracy, still growing in size, power, and inefficiency—concerning which the figures speak for themselves. This year, as I have previously pointed out in this discussion, approximately 44,000 personnel are employed in the mutual security program.

Another important factor which should again be brought to attention is the danger inherent in the so-called Development Loan Fund. This Fund continues to be an adjunct of the mutual security program for the making of what are, actually, largely phony loans, rather than undisguised grants. When the Development Loan Fund—which receives most of its repayments in local, or soft, currencies of virtually no use to our own Government—was created, the executive branch sought to give the impression that the making of these so-called loans would result in a reduction of outright grant assistance. But that has not been the case.

Furthermore, testimony in our committee hearings has indicated conclusively that money in the Fund has been earmarked for certain countries without having received from those countries specifications and plans for particular economic projects.

Apart from these unorthodox and inefficient procedures, the Development Loan Fund contributes substantially to the vast amounts of local, or soft, currencies which the mutual security and other

aid programs are generating throughout the world, which is a cause for very real concern. There are certain holdings of local currencies of such size that they could not possibly be spent in the foreseeable future.

In the following few paragraphs, I shall sum up some of the practically innumerable documented shortcomings of the program of economic foreign aid, as administered by the International Cooperation Administration.

First. The absence of adequate advance planning, in the form of firm technical and financial plans and reliable cost estimates, and the failure to reach definitive understandings with the recipient countries on essential project elements, is a condition which has led to overprograming, piecemeal financing, and premature obligations. It has also frequently resulted in delays in the execution of project aid and in increased costs.

Second. In several countries, the official exchange rates used by the U.S. Government have substantially overvalued the local currencies in relation to the dollar. The use of such rates has unduly increased the dollar cost of U.S. aid, particularly where its principal purpose was the generation of local currency. Also, the use of these unrealistic exchange rates has certainly provided incentives for speculation and irregular practices.

Third. ICA has not had, for several of its programs and activities, adequate information on the use of aid funds, through a satisfactory accounting from the recipient country and its agencies, and through effective end use investigations and field audits by the ICA overseas missions.

Fourth. In individual countries there has been (a) excessive staffing with local nationals, (b) insufficient pooling of common administrative support functions with other U.S. agencies operating in the same foreign countries, (c) dispersal of assistance efforts over too wide an area and too large a number of individual projects, (d) delays in recruitment of qualified technical and administrative personnel and (e) deficient property management.

Now let me summarize some of the military assistance phases of the foreign-aid program.

First. The programing objectives established by the Department of Defense for our allies, expressed in terms of divisions of troops, squadrons of aircraft, and so forth, have not been sufficiently refined to distinguish between those forces which are justifiable on the basis of military roles and missions and those which are equipped and maintained because of political or other considerations. Furthermore, revision of program objectives in line with the force objectives which participant countries themselves have agreed to support and commit for mutual defense purposes has been unduly delayed, and as a consequence substantial quantities of material have been delivered which are, and will be, in excess of the several countries' needs. In the lack of adequate refinement for program criteria to establish which coun-

tries and which military units shall first receive equipment and supplies, items have been programed for high-priority units which could have been filled from excess equipment in the hands of low-priority units.

Second. Estimates have not been developed—and presented to the committees of the Congress—of the aggregate cost of equipping, maintaining, and modernizing allied military forces approved for support or for otherwise achieving U.S. objectives in the countries being supported. Without these data, it is, of course, extremely difficult to relate the annual appropriation request to the current and projected costs of the program in the recipient countries and the overall objectives of our own Nation, and it is equally as difficult to evaluate program accomplishments in relation to plans presented in earlier years.

Third. Lists of items of military equipment and supplies for recipient countries continue to be developed and used to support annual appropriation requests without sufficient knowledge, in many instances, of the real needs of the countries as determined by the gross requirements of the military units, the equipment assets on hand, or of the countries' capabilities to utilize the material planned for delivery.

Fourth. Military equipment continues to be programed, procured, and delivered to recipient countries without adequate regard for the degree of utilization achieved in those countries. Substantial quantities of material have been programed for delivery to recipient countries to be placed in storage, stockpiled, or otherwise not used in the manner intended.

Fifth. Stocks excess to the military services which should be transferred to the military assistance program without charge, stocks which should be transferred at reduced prices because of condition and market value, and other categories of military equipment have been transferred at prices which have resulted in overcharges to the mutual security program military assistance appropriations. The regulations, procedures, and controls have been ineffective in preventing unauthorized reimbursements to the military services.

Sixth. Funds provided by the United States to support the military budget of many countries have not been adequately controlled to insure that the funds are utilized for the purposes for which they were given.

There is abundant documentation in the more than 3,000 printed pages of the record of the hearings of our subcommittee with relation to the conditions which I have summarized.

Mr. Chairman, surely we must come to the understanding, without further delay, that we can no longer afford political extravagance here in Washington—while our country bleeds with a national debt of \$290 billion—which is a greater amount by many billions of dollars than the combined debts of all the other countries of the world.

May I remind that we cannot spend ourselves rich.

We cannot make ourselves secure by giving ourselves away.

We cannot buy friends.

We are told that it is our duty to buy our way of life for countries all over the world. But we cannot, in fact, improve the living standards of most of them by as much as 1 percent, even if we should give away everything we own and treasure.

If we are to win this life-and-death struggle between the United States and Communist Russia, we must think of something else to do other than to spend money—for one reason, even if there were no others, that we are rapidly approaching the time when it is quite possible we shall not have any more money to spend.

I should like to point out also that even if we had no foreign aid spending at all, the United States would be investing—through private industry, charities, and foundations—considerably more abroad than the Soviet Union has been reported to be lending—at a profit—every year.

Mr. Chairman, the waste and the inefficiency of our global foreign aid, only a small part of which I have pointed out to you today, serve as a symbol for growing and uncontrolled extravagance throughout every department and agency of our Federal Establishment.

Foreign aid is now one of the largest items in our Federal budget. Foreign aid expenditures since the end of World War II have cost the American taxpayer, as I previously pointed out, more than \$100 billion, an amount which is equivalent to more than one-third of our staggering national debt. The annual interest alone for this part of our debt is in excess of \$3 billion.

If we do not want to stop the excessive spending for the Nation's taxpayers, surely we owe it to those who will come after us to assure them the same type of advantages and the same type of country that we inherited. We do not have the right to mortgage American babies still in their cribs or generations yet unborn.

With our national debt at \$290 billion, the time has come to cut foreign aid to fit the needs.

I am convinced that we can never hope to hold our own, much less win the cold war, until we, first, stop the spending trend which is leading us toward national insolvency. Not only must our great deficits be reduced, but our staggering national debt must be cut down as well; second, that we stop inflation by practicing prudent economy throughout our Government, just as every individual American could be forced to do if faced with personal distress and possible disaster; third, that we stop the river of waste occasioned by the extravagance and inefficiency of our Government's insistence to perpetuate and enlarge our global aid programs.

I believe sincerely that only if we do these things can we hold our own, and eventually win the cold war.

Mr. TABER. Mr. Chairman, I yield myself 15 minutes.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. TABER. Mr. Chairman, I am going to confine myself largely to items I

know will be considered when the bill is read for amendment. I shall not spend too much time on things I feel will not be matters of controversy or matters in which I shall support the committee if amendments are offered. I am going to confine myself largely to the items of military assistance. I believe those items and defense support are the only ones involved in the whole bill that have any justification whatever. Those items I believe they absolutely need for the defense of the United States. I am going to spend my time largely on them because I want to see the United States military situation covered just as well as it can be in these times of stress.

The gentleman from Louisiana referred to a conversation with me about an interview with the President. At the time we were approaching the end of the hearings and the markup. The President had just returned from Europe, and it was impossible to arrange for anything in the days that followed that return. The President had been through a very considerable strain and there are a great many things he has been unable to do that some of us would like to have him do because of that situation.

Frankly, I do not think there is any reason why we should have any such bill as this except where it is needed and where it will do some good in the military situation throughout the world. The military situation, to my mind, is the key of the question. There are all sorts of things involved in connection with that. We have in Taiwan the Chinese situation. If we did not have Taiwan in there and have the things there that we have provided to take care of the threat of Red China, if they did not have an air force and with ammunition, guns, and implements of war, which we supplied them with, we would have trouble to keep the Red Chinese on the mainland from crowding down into Vietnam farther than they have.

We are going to have trouble of that kind, and it is not going to lessen. It will increase, if anything.

The gentleman from Louisiana has indicated that there is a very considerable reduction in the period that he has been chairman of the subcommittee. That is correct.

I am going to read to you from page 2327 of the hearings, the testimony of General Palmer, who is the military man directly in charge of military expenditures under this bill. For a long time he was chief of staff to the Commanding General of NATO. He has come back here with a great fund of experience. I will say for him he had more lucid answers to questions that we have put to him with reference to these particular subjects than any other man who appeared before the committee.

This statement appears on page 2327 as an incident under the heading "Financing Military Assistance":

For a 5-year period, 1955 to 1959, inclusive, the average annual expenditure on the military assistance program was \$2.36 billion. This rate of expenditure was sustained by an average annual grant of only \$1.37 billion in new obligatory authority, the remainder, an average annually of \$1 billion having come each year from unexpended balances of still earlier appropriations.

Seven years ago, on June 30, 1953, these unexpended balances stood at almost \$8.5 billion. By June 30, 1960, they will have shrunk below \$2.1 billion.

Now, it is absolutely necessary that we have a pipeline of these implements of war to keep shipments rolling to those of our allies who are dependent for their military strength in this situation. It is absolutely necessary that we have money enough so that we can keep those things rolling. It takes from 6 months to 18 months for almost all of the material to go through from the time it is ordered to the time it is delivered. Sometimes, when you are dealing with these new missiles and modern equipment for the Armed Forces, it takes longer than that. Now, we must understand these things. We must think of those things and balance them up so that we understand them.

Now let me go back to General Palmer's statement:

The unexpended carryover will have fallen to approximately \$2 billion by June 30, 1960, and the program is also falling. The forecast of expenditure during the current fiscal year, 1960, is \$1,830 million, while it is forecast that the program in fiscal year 1961 will be marked by an expenditure of \$1.79 billion. In these 2 years there is a drastic drop of \$560 million below the rate of the preceding 5 years.

For that reason and because I want to see the situation of the United States and the people of the United States protected, I expect to offer an amendment when the time comes to increase the appropriation for military assistance from \$1.6 billion to \$1.8 billion. I shall do that because of a sincere sense of duty that to me demands that I do this. I shall do this because I believe it is necessary in these troublesome days, days when it is almost impossible to tell what is going to happen from one day to the next and because I want to uphold the hands of the President of the United States while he is over across the water trying to build up and steam up our allies all over the world. I do not think it is the right thing for this House or the Congress to let him down in view of the situation confronting us.

I do not think we have any business slipping up on our responsibilities. I think we must face them.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ARENDS. The amount of the increase proposed by the gentleman is approximately one-half of the reduction that was made by the committee, is that true?

Mr. TABER. That is exactly correct.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JUDD. Do I understand correctly that the reason the amount authorized for military assistance in the bill this year is larger than it was last year is because we have been living off the accumulated fat of those years immediately following the Korean war and the Vietnam war, when we appropriated huge sums of money for this purpose; we have eaten down that balance of \$8 billion in the pipeline to about \$2 billion. So now we have to replenish the pipe-

line, and that requires more new money.

Does the gentleman give an affirmative answer to that question?

Mr. TABER. Will the gentleman please repeat the question?

Mr. JUDD. Is it not true that we have to appropriate more money this year because we do not have the large pipeline of reserves that was built up in the first part of this decade? And is it not true that last year, when the amount was cut down by \$300 million, we were warned that this year we would have to appropriate more money this year to make up for it?

Mr. TABER. That is correct, except this; that as a result of the drawing down of these unexpended balances which represent the pipeline, that item has shrunk year by year during all that period; and on top of the drawing down of those unexpended balances, there has been a very great reduction in the amount of expenditures and the amount of the delivery of the necessities of war to our allies.

Mr. JUDD. So a larger amount, appropriated this year, does not mean that a larger amount will actually be spent than in other years. It means that we have to appropriate more money this year just to keep the rate of expenditures at a reasonably even level.

Mr. TABER. I did not ask that question, but I expect that the figure of \$1,790 million which General Farmer used to illustrate the amount that would be expended next year was based upon a \$2 billion appropriation of funds in this bill. And with that cut down to \$1.6 billion, that figure would be considerably lower. It could not help but be. I just want to be sure to give the right answer to that question.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. PASSMAN. Is it not true that at this point in our deliberations we already have \$300 million more than we had last year? We gave them then \$1.3 billion, and at this point in the deliberations we are already up to \$1.6 billion.

Mr. TABER. This is an increase over last year, but it is not an increase actually because we have to prevent the dropping down of the balances that we need to maintain the Military Establishment. That is the picture.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman.

Mr. RHODES of Arizona. Is it not also true that when the gentleman from New York submits his amendments, if the amendment is adopted, raising the amount to \$1.8 billion, that would still represent a 10-percent cut from the budget estimate of the administration, which was supported in the committee by practically everybody who came up to testify?

Mr. TABER. That is correct.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. PASSMAN. It was expected they were all going to testify for the request. That was their purpose in appearing.

Mr. TABER. I think that General Farmer told us what he thought was the truth. He is the ablest gentleman I have seen down there representing anybody during the term I have been a member of that subcommittee, and that is from the beginning of the program right straight through to the present time. I believe he came down there prepared to tell us the truth. I think he is that type of gentleman.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ANDERSEN of Minnesota. I am in full agreement with the gentleman when he states that the military assistance and defense support is really the heart of this bill insofar as the United States is concerned. This has been my judgment from the very beginning of the foreign-aid program, despite the fact that I have often found it necessary to vote against the bill brought before us because it was too liberal in other respects.

I might add to that the point 4 type of assistance which I have long favored but which, unfortunately in my opinion, has been allowed to languish in favor of direct grants for public works and other purposes.

There is in the world today an urgent need for mutual assistance and mutual cooperation on the part of the nations aligned on the side of freedom, but I personally believe there is a reasonable limit to the amount of dollar assistance the other nations should expect from us. The term "mutual" seems to be ignored in the planning of the proposals submitted to the Congress and most of what we have before us consists of one-way aid from the United States to others.

Recognizing our own immediate interest in the military part of the whole program, and consistent with our desire to maintain a reasonable ceiling on the entire appropriation devoted to mutual security, would it not be possible in the submission of the gentleman's amendment whereby he seeks to add \$200 million to the military assistance item to accomplish that desirable increase by a comparable decrease elsewhere in the bill? In other words, could not this be in the form of a transfer between items and thus avoid increasing the total amount appropriated as recommended by the Committee on Appropriations?

Mr. TABER. The only thing I can say to that is that there are a great many items in the bill which have no strong reason back of them for support as the military assistance has. That is the heart of the proposal, to me.

Mr. ANDERSEN of Minnesota. I am in full agreement with the gentleman on this one point and intend to support his amendment for \$200 million more for military assistance. At the same time, I want it clearly understood that I also intend to support reductions in other items to keep the entire amount appropriated within the total recommended by the committee.

We must not lose sight of the fact that approval of the \$3,384,500,000 total recommended by the committee will actually make available to the mutual se-

curity program on July 1, 1960, an amount \$42,843,250 more than was available in fiscal year 1960. As the committee report shows, \$8,154,365,000 will be available for expenditure in fiscal year 1961 if we hold the line on this bill and that is a tremendous sum of money. Any additions appropriated at this time would simply pyramid the program and the Congress would be faced with requests for just that much more money in succeeding years to keep the program going.

From my years of experience in the Congress and as a member of the Committee on Appropriations, precious few reductions in appropriations originate any place other than at the hands of the Congress. The mutual security program is no exception because I have found that the dedicated public servants administering all of our various governmental programs become convinced as to their necessity and the burden of making reductions almost invariably rests on our shoulders here in the Congress.

Economy is seldom a popular course for us to follow, but those of us who have the courage of our convictions are left no alternative and we must fight to hold the line in this constant battle for fiscal responsibility.

Mr. TABER. There are spots in there that could be cut out, especially such foolishness as they have in that technical assistance, where they rent schools at a cost of \$34,400,000, where they have people taking courses that would make your heart sick to look at them. That is a very conservative statement. That is no exaggeration.

I think that is all I am going to say at this time. There will be a lot of other amendments offered. If there is occasion as they are offered for me to say something, I will be saying it.

Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Chairman, I strongly endorse the minority report to this bill when it states that the cuts proposed to the House "indicate a weakening in the determination and leadership of the United States to hold together the nations of the free world at the very time when the Communist bloc is engaged in a major drive to split it apart."

I, therefore, will support amendments to restore these drastic cuts, at least in part, especially in the military field which I believe is so essential for our own security and that of the free world.

In these last weeks since Premier Khrushchev scuttled the summit conference, the capitals of the free world have experienced a tense expectancy and apprehension as to possible further hostile moves by the Soviet bloc. We wonder where pressure will be exerted next—on exposed Berlin, along the uneasy truce lines in the Far East, or elsewhere along the periphery of the bloc. One conclusion at least seems justified as a result of the summit breakdown, that the United States and its allies are in for a prolonged period of stress, confronted by the full range of possible bloc moves from propaganda to military action.

Never short of war itself, have there been such demands on the United States in its role as leader of the free world.

The spotlight is on this Government, and particularly this Congress, to test our strength and earnestness in the face of these increased, even awesome, cold war responsibilities. One of these responsibilities is helping to bolster the free world's military and economic strength, a responsibility we meet largely through our mutual security program.

Through this program we provide military assistance to some 40 countries, to enable our free world partners to maintain 5 million soldiers, 2,200 combatant ships and 30,000 aircraft. Approximately one-third of the economic assistance we provide is used to sustain these large forces abroad, and the remainder comprises loans, technical assistance and grants to underdeveloped countries. This aid for development frequently means the difference between economic stagnation and economic progress for hundreds of millions of people throughout the free world.

President Eisenhower has told us that America's security, and the common defense of the entire free world, depend in a substantial measure on this program of military and economic assistance. Vice President Nixon, the Secretaries of State and Defense, and all the other key members of the executive branch fully support this view. Defense Secretary Gates, for example, recently reaffirmed that military assistance is an essential element in the basic U.S. strategy of collective security. Stressing the mutuality of the defense efforts, he said that only 10 percent of the ground forces that will come under General Norstad's command in time of war are American; in Korea, General Magruder, as the U.N. commander, commands 21 divisions on the line, only 2 of which are American. Moreover, the Joint Chiefs of Staff have stated that they would not want one dollar added to the defense budget for 1961 if that dollar had to come out of the recommended budget for military assistance.

Support for the mutual security program has been, and remains, substantial. Support for the program is bipartisan—both Presidents Eisenhower and Truman have repeatedly urged its continuance, congressional leaders on both sides of the aisle have voted for it year after year, Mr. Nixon and every Democratic candidate for the presidency has endorsed it, and the national party platforms to be adopted next month will certainly approve the program once again.

Public support is widespread. Spokesmen for the United States Chamber of Commerce, the AFL-CIO, and many veterans, civic, church, and other organizations have repeatedly testified on behalf of the program. Opinion leaders in these organizations, in business, in the press, and elsewhere have consistently spoken out for the aid program.

Despite this wide understanding of the need for the mutual security program, there are those who favor major reductions in it. As reported by the Appropriations Committee, the bill which we

are to vote on calls for cuts totaling \$790.5 million below the amount the President requested for operations of the program in fiscal year 1961. But the President has warned us that such heavy cuts in the mutual security program would mean "a crushing defeat in today's struggle between communistic imperialism and a freedom founded in faith and justice" and "within a matter of months new international tensions and new international problems of the utmost gravity for every one of our citizens."

Now, as the President carries America's message of hope for peace through freedom to the Far East, the Congress must not let him down. By our action on this bill we will once again demonstrate, both to our friends and to our enemies, the strength of our purpose in pursuing our and the free world's security effort.

(Mr. CHIPERFIELD asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. Ford].

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, I along with the gentleman from New York and the gentleman from Arizona [Mr. RHODES], and the gentleman from Massachusetts [Mr. CONTE] signed the minority report. As the report indicates, we strongly believe that in two areas the majority made reductions which will have a serious adverse impact on the military assistance and defense support parts of the program. The distinguished gentleman from New York [Mr. TABER] has outlined in several instances a point or two that I would like to reemphasize. It seems to me the best way to analyze the need and the necessity for at least a \$1,800 million appropriation in military assistance is to look at the unexpended balances that have been available over the past few years; the annual appropriations that were made available, and the expenditures during the same period of time.

This chart here points up rather dramatically why we need in the fiscal year 1961 a larger appropriation for military assistance than we had during the current fiscal year.

The President requested in the fiscal year 1961, \$2 billion for military assistance. The Subcommittee and the Committee on Appropriations have recommended \$1,600 million. This is a \$400 million reduction, or a 20-percent cut.

If you look at this chart, you will see in 1951 the unexpended balance was about \$5¼ billion.

In the fiscal year 1952 and fiscal 1953, you see the unexpended balances raise substantially to a figure over \$8 billion. In the interim it has been gradually reduced so that at the end of the fiscal year 1960, the unexpended balance will be slightly over \$2 billion, which is, in effect, a pipeline of about 15 months under current procurement practices.

If you look at the green line, you will see that the trend in appropriations in military assistance only. It shows in

fiscal 1951 the appropriation was slightly over \$5 billion. It raised somewhat in fiscal 1952. It dropped substantially down to slightly over \$1 billion in fiscal 1955, and has followed since that time a relatively stable amount, averaging in the past 5 years \$1.37 billion annually in new obligational authority.

In fiscal 1960 the current fiscal year, the figure was \$1,300 million. This was \$300 million less—I repeat, less than what the President requested for the current fiscal year.

Now, if you will look at the expenditure picture, you will find this to be the case. In fiscal 1951, at the beginning of the program, the expenditures were less than a billion dollars per annum. They rose to about \$4 billion in 1953 and then leveled off in the last 5 or 6 years to the amount of approximately \$2,300 million in each year.

The point, I think, is vividly demonstrated here that we have been living for the past few years off of previously appropriated funds. Our expenditures in the last few years have averaged about \$2,300 million per annum. Our annual appropriations have an average approximately of \$1,350 million. We have been supporting the military assistance program to the extent of about \$1 billion annually for the last 4 or 5 years off of previously appropriated funds.

Frankly, it seems to me, from the testimony I have heard both in our Defense Department hearings and in these hearings is that we are finished living off of previously accumulated funds. The lead time, and I do not believe there is any question about these figures, is about 15 to 18 months for military hardware. If you agree to that, and I doubt if many disagree, then you need a pipeline of about \$2 billion. This bill, reported by the full committee, provides new obligational authority for military assistance to the tune of \$1,600 million.

That figure, if agreed to, will draw down further our pipeline and, in my opinion, have a serious impact on our military assistance program worldwide, including particularly NATO.

The estimated expenditures in the current fiscal year in this program will be \$1,830 million. In fiscal 1961 the anticipated expenditure will be \$1,790 million. So if we make available \$1,800 million in new obligation authority, as the amendment of the gentleman from New York will provide, we will level off into what I think is a sound program.

The chairman today and on previous occasions has made serious charges about overcharges by the three military services to the military assistance program. In effect, he is saying that the Army, the Navy, and the Air Force in the transfer of military hardware to the military assistance program are making a fast buck. Even if those charges are correct—and I do not agree with that—even if those charges are correct, does it make one bit of difference to the U.S. Treasury? Of course, it does not. We pay the bill as taxpayers whether we finance it through our own Defense Department appropriation or through the military assistance program, the program before us today. So even if those

charges are accurate, which I dispute, it does not make a bit of difference to the U.S. Treasury or to the taxpayers.

Now, are these charges accurate? And what difference does it make? In February of this year the General Accounting Office filed a report alleging there were serious overcharges by the Army, Navy, and Air Force to the military assistance program. These charges were predicated upon the field surveys which were made in 1957 and 1958. The allegation is that the overcharges amounted to approximately \$450 million. So far the Army has agreed that only \$45 million of the overcharges are justifiable. They completely and totally deny that any other overcharges exist. The Navy and the Air Force deny completely that they are guilty of any overcharges.

Gen. Williston B. Palmer, who is the military head of the military assistance program, in a statement to the subcommittee found on page 2387 through page 2391 expressed his department's view on the General Accounting Office allegation. General Palmer also volunteered to have technical witnesses from the three departments present the military viewpoint on these alleged overcharges. Those witnesses were not called by the committee, so we have to go by the statement of General Palmer.

It is a very technical field; it involves an interpretation of what the law is and what the regulations are. As I said before, the Army admits overcharges to the extent of \$45 million; they deny the rest. The other two services deny there are any overcharges. But I repeat, from the point of view of the taxpayer, from the point of view of the Treasury Department, it makes no difference whether these allegations are accurate or not, because we either pay the bill through our own Defense Department appropriations or we pay the bill through the military assistance part of this appropriation bill. In my opinion these charges are of no consequence as far as this bill is concerned.

In reality it is a matter which the lawyers of the GAO and the Defense Department can argue over in the future. However, in the meantime let us not jeopardize our military security by slashing this budget request.

The distinguished chairman made the statement during debate today that somewhere between 90 and 95 percent of the equipment in various countries which we have supplied is serviceable today. This was testimony taken a year or two ago before the subcommittee. Apparently it was substantiated in some hearings that the gentleman from Louisiana and the gentleman from Arizona held this spring in Europe. That charge, in my judgment, should be construed as a compliment to the recipient countries that they over the years could accept this material, maintain and keep it serviceable for as long a period as they have.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Louisiana.

Mr. PASSMAN. How would the gentleman justify the \$100 million in material shipped to X country which they

requested should be held up? It is over there now awaiting redistribution.

Mr. FORD. I believe the gentleman is referring to alleged changes in force structure that were contemplated but at the time of shipment of equipment had not been effectuated.

NATO did set up certain force standards. There was some discussion of possible readjustment. In the meantime the equipment was shipped. I think the facts are that 97 percent was delivered before the force goals were actually reduced. But that is not on the point I was discussing at all at the time I yielded to the chairman.

The fact that a military organization has 95 percent of its equipment serviceable does not really refer to its competence in the military field to fight a war over a period of time. We do not fight a war—never have—simply with the military equipment that we have on hand in the field. We really rely on what we have on hand and the mobilization reserves. The mobilization reserves in our own Army, Navy, and Air Force is many times what we have with troops in the field and thank goodness that is true, because if you are called upon to engage in a shooting war you use what you have first but you call upon your mobilization reserves to continue the fighting. So the charge made by the chairman I do not think has any validity. His allegation that they have 90 percent plus of the equipment which we have supplied as serviceable does not prove a single thing as to their capability to fight a sustained war. This equipment which we are going to provide with the funds made available here will help to build up their mobilization reserves, it will help to maintain their existing forces, and it will provide for force improvement which is highly essential to the security of the United States and the free world.

The distinguished chairman has discussed the fact that certain countries received more than they were able to digest, so to speak. He alleges that about \$450 million worth of this material over the years had to be or should be redistributed. It is true some of our military equipment which we have made available to allies after a period of time has become surplus to that country and, therefore, should have been and will be redistributed to other friendly allies. It seems to me that the actual redistribution of military equipment in this way is the best proof of good management.

For example, 5 years ago we gave country X certain equipment. As that country improved its military posture it was found that the country needed new and more modern equipment. Should we leave that old and obsolete equipment in country X in storage, equipment that is out of date, equipment that that country cannot effectively utilize? Should we not take that kind of equipment and transfer it to another country that has a current need for that hardware? That redistribution makes sense to me. I think that is proof of good military management. You redistribute your equipment so that all recipient countries get the best use from it. The country that can absorb and use the most modern equipment should get that, and other

countries should receive that equipment which they can best utilize. And, this process of redistribution simply carries out good management practices.

Now, Mr. Chairman, let me point one or two additional points. As I indicated earlier, the President asked for \$2 billion in military assistance. The subcommittee and the full committee has recommended a cut of \$400 million, a 20-percent reduction. What will this do to the program as submitted by the President? Four hundred and ninety-five million dollars of the \$2 billion requested is for substantially fixed costs, such as infrastructure, headquarters, and administrative expenses. Twenty-five million dollars is for credit sales. Six hundred and fifteen million dollars is to maintain our allied forces at current levels. Now, to cut this request, in the opinion of the Defense Department and the President, means that we would lose ground that we have already made to maintain the forces of our allies at the required levels for their security and for ours. Now, this means that if this cut is sustained, the \$865 million requested for force improvement, that is, the money that is requested to bolster up and make more modern our forces, would have to absorb about 80 percent of the cut submitted to you by the committee. It seems to me that this substantial reduction imposed on force improvement is much too great. I believe that the amendment to be offered by the gentleman from New York would be substantially helpful in reducing this adverse impact.

Now, the charge is often made that we are substantially paying for the maintenance of the military forces in NATO and in other areas of the free world. Let me point out that in 1953 the United States actually paid about 28 percent of the cost of maintaining the defense forces of NATO countries. Today, 7 years later, the United States, if this program is carried out, will pay approximately 8 percent of that cost. So, in an interval of 7 years our relative share of the contribution has gone down substantially, from 28 percent to 8 percent.

The charge is likewise frequently made that some of these countries are really cutting back rather than increasing their military expenditures. That is not true in NATO. For example, West German defense expenditures rose from \$1.6 billion in 1958 to \$2.7 billion in 1959. Great Britain is instituting a 7.6 increase for next year in their defense expenditure. Italy has a 4 percent annual increase in effect. The Netherlands is planning a substantial increase. European NATO countries as a whole spent \$13.6 billion in defense in fiscal 1959, a 1-year increase of 11 percent over the \$12.2 billion in 1958. The total for fiscal 1961 is now placed at \$14.2 billion, again a sizable increase in their expenditures for their security and the security of the free world.

In conclusion I would like to say simply this. It has been said not once but many times that our top military leaders would not subscribe to a reduction in the military assistance program in order to bolster our own military expenditure. It is the opinion of the Joint Chiefs of Staff that the money we spend

on this program gets for us and the free world the biggest return.

Consequently General Twining, Chairman of the Joint Chiefs, General Lemnitzer of the Army, General White of the Air Force, Admiral Burke of the Navy subscribe without hesitation or qualification to the figure recommended by the President for military assistance. I refer now to a release dated June 15 from the Secretary of Defense, Mr. Gates. He says:

The Joint Chiefs of Staff all stated that they would not take one dollar away from the military assistance program in order to augment the funds for their own services. Military assistance is just as much a part of our own national defense as are the appropriations for the Army, the Navy, the Air Force, Central Intelligence Agency and the Atomic Energy Commission.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman.

Mrs. KELLY. I should like to try to clarify, if possible, the matter raised by my colleague from New Hampshire, Mr. MERROW, in a question to the chairman of the subcommittee. In speaking of the unexpended balance available, there was reference to \$8.1 billion. However, I would like to emphasize—and it is in the report—that there is an unobligated balance of \$52,514,000; is that correct?

Mr. FORD. That is an estimate of the unobligated balances at the end of this current fiscal year.

Mrs. KELLY. If you add that to the new money, then I think the Members of the House ought to know that that would be about \$3.4 billion available for obligation.

Mr. FORD. For new obligation in fiscal 1961.

Mrs. KELLY. And not \$8.1 billion as some might interpret it.

Mr. FORD. The gentlewoman from New York is correct. The difference between \$3.4 billion in new money as recommended by this bill and \$8.2 billion is a sum that is already obligated, already committed to specific programs and policies; orders on the books, so to speak.

Mrs. KELLY. With the exception of the \$52 million. Therefore, in considering this bill we should look to \$3.4 billion and not \$8.1 billion.

Mr. FORD. The gentlewoman from New York is precisely correct.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from New York.

Mr. LINDSAY. I should like to commend the gentleman on his statement. I was particularly interested in his comment that the Joint Chiefs of Staff and the President had recommended even a higher figure than is urged by the minority. Is it not true that this is the minimum figure which they say will do the job, stripped down to the barest essentials?

Mr. FORD. The Joint Chiefs of Staff actually support the \$2 billion requested by the President. However I firmly believe they endorse the views of the mi-

nority as expressed in the amendment the gentleman from New York [Mr. TABER] will offer. We are trying to recoup all but \$200 million of that amount requested by the President.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Illinois.

Mr. YATES. As the gentleman knows, I supported him and the gentleman from New York in the committee. The gentleman has stated the military assistance program is a part of the program of the defense of the United States. In the event this cut stands or there is a larger cut, will not the Armed Forces of the United States have to be increased?

Mr. FORD. I believe we will have to increase our own military appropriation to a substantially larger degree, because it costs much more to do it that way than this way.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from New York.

Mrs. KELLY. I believe the gentleman may have stated this in his argument on this bill, but I should like to ask it in this way: Any reduction in the military assistance program would fall most heavily on NATO and that area; is that correct?

Mr. FORD. I believe that is correct, because that is where your principal force improvement expenditure will materialize.

Mrs. KELLY. That is the modernization, and so forth, of NATO?

Mr. FORD. That is my understanding. That is where the missiles and the remainder of the equipment in that category will fall.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Virginia.

Mr. GARY. When the gentleman says we have \$2,044 million unexpended as of June 30, 1960, that is not available for new obligation, it is available for expenditures in fiscal year 1961, and as those expenditures are made the materiel which they purchase and the programs for which they are intended will be financed to that extent during 1961. Is not that correct?

Mr. FORD. Those obligations have already been made out of appropriations we made in previous years.

Mr. GARY. But the materiel has not been delivered. It will be delivered in the next fiscal year, as that money is expended during the next fiscal year for the materiel delivered during that year?

Mr. FORD. That is correct. That is for the delivery of hardware which is in the pipeline, this pipeline of 15 to 18 months. The money we put up for fiscal 1961 will be to maintain that pipeline for the following 15 to 18 months.

Mr. MERROW. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from New Hampshire.

Mr. MERROW. I commend the gentleman on the fine presentation he has been making. He has referred to the Joint Chiefs of Staff and others who

have recommended this program. Those were the experts to whom I referred a few moments ago.

Mr. FORD. I thank the gentleman. Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Minnesota.

Mr. JUDD. I merely wanted to point out that we could probably cut out the whole military program assistance appropriation in this bill and the deliveries would still go on, but where would we be next year? One reason we have to provide more this year is because of the unwise cut of \$300 million below the authorized amount last year. We now have to appropriate an additional amount to make up for the failure to put into the pipeline the necessary amount to keep the deliveries rolling. Is not that correct?

Mr. FORD. That is correct.

I should like to make one statement before ending my remarks. The Secretary of Defense said in this release, dated June 15, 1960:

In spending military assistance funds, it is necessary first to maintain existing allied forces in good working order and conserve the investment already made. Therefore the proposed reduction must come from cutting down on force improvement, that is, postponing indefinitely the newer weapons. Eighty percent of any cut below the budget request must be absorbed in equipment for force improvement, which includes missiles, electronic equipment, modern aircraft and ships, modernized tanks and combat vehicles, and the like.

I subscribe to the views of the minority which more nearly reflect the recommendations of the President and hope appropriate amendments are approved by the House of Representatives.

Mr. PASSMAN. Mr. Chairman, I yield myself such time as I may require to clear up some misunderstanding.

We want you to consider this matter upon the basis of facts, and nothing else. You know that much of the information that comes down here, especially if it is of such nature as to be helpful to the subcommittee, is classified. I mentioned earlier about a certain nation where it had been suggested that we discontinue shipping materiel. You will find something of that situation on page 2269 of the hearings. And I say further, without fear of successful contradiction, because this letter is dated March 1, 1960, that notwithstanding the fact the military had been informed prior to the completion of the shipment, that the shipping continued to such a point that there is now in excess of \$100 million worth of new equipment that has been shipped into that nation.

Again, I invite your attention to the fact that so great has been the dumping of surplus equipment on nations, including material such as modern electronic items and other equipment to five nations alone, that there is probably \$2 billion worth of equipment that has been dumped on these nations that they cannot use. Let us face up to it. If you want to see secret testimony—if you want to see secret letters, come over to this side. I am going to make them available. I know that you are all

cleared for security. I am not going to be placed at such a disadvantage when I know that this is a strawman being set up. I want to go a little further.

This is not PASSMAN's idea. I have discussed this matter with the distinguished chairman of the great Committee on Armed Services of the other body. I met with him at NATO headquarters in Paris. I talked with him at length. Then, only a day or two ago, he said to me, in effect, "I want you to know, and you may quote me on the floor of the House, I am convinced that this program is adequately financed with what you are recommending."

I went to practically every great military leader on this side of the aisle. They are supporting this recommendation. This is not PASSMAN's idea.

The total amount of advanced weapons in this bill, such as airplanes, electronics, missiles, and so on, is only \$611 million. Some of it will not be used until 1961 or maybe 1962 or 1963, because we are facing programs where we have not even signed the agreements with the countries on a matching basis formula. So let us keep this in context. I will be very happy for you to see the secret—the so-called secret—it is stamped "Secret" and I will respect it, of course—but read page 2269 of the hearings. Then come over here and read this secret material. Let me say that instead of a reduction of 20 percent you actually have an increase of 23 percent over what we appropriated last year for the military. I have some more information that I am going to submit when we reach the amendment stage in these proceedings. I am sure you know that the majority of the committee has judged soundly and is on safe ground.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New York.

Mr. TABER. I wonder, should the gentleman be playing fair with the House in not reading this material to which he refers so we may know what there is to it? If there is anything there that ought to be read, he ought to read it now.

Mr. PASSMAN. It is a secret document. I cannot read it and the gentleman from New York knows that. This is a secret document and you are welcome to come over here and read it.

Mr. TABER. Mr. Chairman, I yield just this time as he may require to the gentleman from New York [Mr. HALPERN].

Mr. HALPERN. Mr. Chairman, we have before us at this time the all-important, vital mutual security appropriations bill for fiscal 1961, H.R. 12619. Once more we are faced with what tragically has become something of a numbers game.

Each year we seem to go through the same procedure of emphasizing funds available for expenditure in the coming fiscal year while ignoring or shunting aside the far more important factor of new funds to maintain the program at a level adequate for the defense of the free world and adequate to help new, young nations help themselves within the accepted norms of independence and self-determination.

Mr. Chairman, each year we seem intent on approaching the bill with our eyes on the ground, searching for shortcomings with which to whip the program into reduced form, instead of lifting our gaze to the long-term policies and challenges that will be determinative of our fate in the years ahead. To publicize high expenses for maintaining technicians in Iran is essential and constitutes an integral part of our duty as legislators, but to stop there is catastrophic. To do so is to fail to appreciate fully the tremendous successes of the program and the necessity for its continuation on a high plane.

Nothing could illustrate this better than an article in the March 1959 issue of the National Geographic magazine entitled "Life Under Shell Fire in Quemoy":

The important thing is—

The author states—

that people are eating more and living better. It is satisfying to an American to know that our foreign-aid dollars have been responsible for this. But what, I wondered would happen now that Quemoy was under fire. Would the program be wasted?

"Wasted? Certainly not," insisted Mr. Hsu. "Look at it this way. If a weak man receives a blow in the face, he may collapse. A strong man can take the same blow and stay on his feet. The strength this program has given the Quemoy farmer in the past 6 years has made it possible for him to survive."

Instead of discussing policy—because that is what we are actually formulating in appropriating for the mutual security program—in addition to considering the expenditure of funds, we tend to concentrate on the latter to the detriment of the former.

Opportunities slip by that can never be retrieved. We ignore the pleas of the President, decide that a halfhearted effort against the grim and total Communist threat will be sufficient, and hamstring the execution of the program by insisting upon more and more inflexible commands in the bill.

Somewhere in the process vision is lost and the chances for our expectations for the future to materialize, are reduced.

The committee report points out that there will be available for expenditure in fiscal 1961, \$8,154,365,000. The inference is that we can thereby reduce the amount of new funds to be provided for the program.

Shunted aside, regrettably, is the obvious fact that far more than half of that total is already obligated for projects planned a year or 2 years ago. These projects cannot carry the program forward in 1962 nor meet coming contingencies. Only the moneys we appropriate now can do that, and if we slash them unmercifully we endanger not only the future of the program but the entire free world.

I want to commend the Members who signed the minority report in which is set forth with clarity the consequences of drastic cuts in the military assistance and defense support aspects of the program.

When it has been estimated by experts that we need to appropriate about \$2 bil-

lion a year to satisfactorily maintain the military assistance program, it is a serious matter that the bill provides for the appropriation of \$1.6 billion. It is difficult to comprehend just exactly what we are saving when we so cut the military assistance program as to imperil the improvement of our allied forces overseas, an improvement deemed necessary by our defense authorities.

The same criticism is applicable to the provision for the Development Loan Fund. Apparently oblivious to the necessary administrative procedures of committing funds prior to their final obligation, the report declares that some \$298,850,000 of these so-called committed funds are available for expenditure in fiscal 1961, and therefore, it is inferred, we can reduce the appropriation of new funds to \$550 million. As in the case of military assistance, the real factors of long production lead time and careful prior planning which tend to make necessary the existence of sizeable amounts of obligated or committed funds, are unfortunately not even discussed.

Mr. Chairman, the President has asked for \$4,175 million in new funds to continue the program at a level deemed adequate for free world defense and development. Authorization bills have reduced this to \$4,086,300,000. H.R. 12619 reduces the amount available by another \$700 million. Most of the cut will come from military assistance, defense support, and the Development Loan Fund. Our foreign policy advisers have requested figures in these categories substantially higher than those provided in the bill. I believe this House should carefully weigh the consequences of ratifying these reductions, and should make every effort to restore the program to the authorized amounts.

Equally distressing as the monetary cuts are the restrictions placed on the use of funds for several important programs, particularly the Indus Basin development program, loans to small farmers, the special program for tropical Africa, and the Puerto Rican Hemispheric Center for Cultural and Technical Interchange.

Not only have we pledged ourselves to contribute to the Indus Basin project, but our failure to provide funds endangers its whole development. The long years of patient negotiation to create agreement on the development of a fertile bread basket out of the Indus deserts will have been for naught. U.S. participation, which would involve, over a 10-year period, the provision of \$177 million of grant assistance and \$103 million in loan assistance, plus some local currencies, is a prerequisite to the success of this program. The development of the agricultural potentialities of the basin is important not only for India and Pakistan but to the entire free world, since increase of yield in the area will strengthen the two nations and thus benefit the rest of the free countries as well.

The small farmer program is one of high vision designed to enable cooperatives to acquire equipment essential to the cultivation of large acreages which in time will help solve the most basic

problem of most underdeveloped nations, provision of an adequate food supply.

The prohibition on the use of funds for the construction of buildings under the tropical Africa program immediately interdicts the raising of small schools and medical structures, two of the most serious needs in these countries.

The elimination of funds for the Puerto Rican Center is to drastically hinder one of the most useful ways of promoting technical skill and knowledge in the Latin America area. The contributions that Puerto Rico has made in the past in teaching skills and processes to our neighbors to the South have been invaluable. Now this admirable program is to receive no boost from us. One of the objectives of President Eisenhower's tour of Latin America in the late winter will be jeopardized.

I do not believe that these prohibitions, these policy determinations, can redound to the benefit of the United States. Instead, I fear that we are once again letting opportunities slip away that in the long run can mean the difference between success and failure in our demanding struggle with communism.

Expert after expert has testified that the intensity of the struggle will increase in Asia, Africa, and Latin America. The elimination of these programs will only cripple our efforts in the very areas where we should be dramatically increasing them.

Mr. Chairman, I hope that efforts will be made to restore much of the funds that have been cut by this bill. Statesmanship and concern for the future of our Nation and of the free world dictate that this is the only wise course. This does not mean that misfeasance is to be condoned. We must continue to root out such situations wherever they occur. It does mean however, that our approach to the program should not be governed almost entirely by our reaction to these isolated occurrences. We have too much at stake. The Communist challenge to our civilization is too ominous.

Mr. TABER. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, I am not a member of this distinguished committee and I feel rather reluctant to speak on this bill. I have the most profound respect for the distinguished gentleman from Louisiana, as well as for the ranking Republican member on the committee, the gentleman from New York [Mr. TABER]. However, the circumstances surrounding the mutual security program remind me of a situation which developed a short time ago. It happened 2 years ago in California. The coach of a great team out there had lost six games in a row. The gentleman from New York asked him one day what had happened to his team, that it could not seem to win. He said: "Well, the boys have a mental block when they get down to the 10-yard line. When they get down to the 10-yard line, they disintegrate, lose their sense of rhythm and attack." He seemed to emphasize that the 10-yard line, was a psychological barrier or mental hazard. So the gen-

tleman from New York said: "Well, that happens to a lot of teams when they get to the 10-yard line." He said: "I am talking about my own 10-yard line, not the opposition 10-yard line."

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. DOOLEY. I yield.

Mr. CANFIELD. I think the gentleman now addressing the House can qualify as an expert on the 10-yard line. In yesteryear he was Dartmouth's All-American quarterback. Football history shows he was a great scorer, and I believe he still holds an intercollegiate record for forward passes.

Mr. DOOLEY. I thank the gentleman from New Jersey. This was not prearranged, I assure you, Mr. Chairman.

Mr. Chairman, I rise in support of this most important appropriations measure. I deplore the decrease by the Appropriations Committee in the amount requested originally. If ever there was need of a mutual security program—and certainly there has been much need—it is now, now, when our posture in world affairs is critical, and the future status of a number of our allies stands in doubt.

Ever since the U-2 incident splashed itself in headlines across the country, and brought about a volley of vindictive threats from Khrushchev, Americans by and large have been more eager to see our mutual security program implemented effectively. They know, as we know, that without the supplemental support guaranteed to a host of Nations who participate in the program, we would resemble a solitary yet gallant soldier, standing alone in a field of despair.

We do not have to apologize for our military assistance program, for which the bill authorizes almost \$1½ billion for carrying it forward.

In addition to the parts of the program included in the authorization, the Executive requested a total appropriation of \$2,720 million against authorizations already in effect, of which \$2 billion is for military assistance and \$700 million for the Development Loan Fund.

We need not defend such a vast expenditure on the basis of generosity, morality, altruism or responsible leadership in the free-world bloc. Rather can we say that stark reality and objective self-interest dictates that this is a major device to counter the threats of communism.

Because of our mutual security program, it is an established fact that in the event of hostilities only 10 percent of the ground forces that would come under the NATO leaders command would be American troops.

In the volatile Far East, the commander of the allied forces would have to rely largely on non-Americans, to sustain and maintain his forward strategy, in time of war.

Only a small force of U.S. soldiers, sailors, airmen, and marines form a nucleus of an allied force of almost 2 million men, which in the event of war would provide a deterrent band of resistance in the Pacific area, rather than on our own western coast.

Of the 21 operational divisions in Korea, only 2 are made up of Americans.

In Spain, there is a close relationship to assure the maintenance of a retaliatory force.

There is no doubt in the mind of anyone who has given even a cursory examination to all segments of the mutual security program that there has been great and unpardonable waste in certain areas, particularly in the field of economic assistance. All too often in the past administrators of the mutual security program have overestimated the capacity of less developed countries to absorb and assimilate our opulent assistance. Then, too, projects have sometimes been initiated for which the United States was not in a position to give intelligent and pragmatic guidance and supervision.

However, it is generally believed by most knowledgeable adherents of the program that our national security and future peace depend in large part on improving the means by which this complex undertaking can be made to work more effectively, rather than to curtail drastically the aims and scope of the program.

One of the chief drawbacks has been the fact that some of the governments receiving military and economic assistance lack previous experience in administrative and technical fields, have little aptitude for mechanical contrivances and modern accounting methods, and sometimes their ethical standards are widely at variance with our own.

In such a program, well-conceived efforts are sometimes thrown into complete confusion by directives from Washington which show no understanding of the complexity of the problem on the local scene. In other words, we must realize that regardless of how painful it may be to our sense of economy there may be cases where there is waste despite all efforts to be meticulous in regulating and supervising expenditures.

Where are these so-called underdeveloped countries? They are Cambodia, Taiwan—Nationalist China, Greece, Iran, Korea, Laos, Pakistan, the Philippines, Spain, Thailand, Turkey, and Vietnam.

No less than 11 of these 12 are in the periphery of the Soviet bloc, and the twelfth is within easy striking range. Superior Communist forces are on the borders of Korea, Taiwan, and Vietnam. Yet, combined, these countries maintain forces of 1 million men. Bilateral treaties exist between the United States and the three countries I just mentioned.

Speaking of those nations we call underprivileged—there is one close to our national threshold that should be receiving aid from us, and if it does not it will surely fall prey to the blandishments of communism. That country is Haiti, and it is teetering on the verge of fiscal chaos and national panic. With Cuba lost to the western orbit, Haiti has increased political significance to us, and if we see it lost it will indeed be a tragic occurrence.

Let me say that the military assistance program is a vital and integral part of

our defense. The four Chiefs of Staff make their strategic plans so that we can depend upon effective allied contributions generated by our military assistance program.

The assistance engendered by this program costs us far less than any alternative means of strengthening our defense in equal measure. Some reasons why this is possible are: It costs less to maintain allied forces than American forces. The cost of living in some of our allied countries is only one-tenth of what it is in the United States.

To those who feel we could afford a cut down on our military aid program, let me remind them that within our memory—within the memory of all of us, Russia has absorbed into its boundaries Latvia, Lithuania, Albania, Yugoslavia, Czechoslovakia, and a host of less noteworthy national entities.

Certainly now is not the time to weaken our assistance to our allies—to peoples who, proximate as they are to the Soviets, nevertheless stand up gallantly for their own sovereign rights. Turkey, under the guns of Russia and torn with internal strife, has not wavered in its allegiance to the Western World. Taiwan remains a bulwark of strength close to the shore of Communist China. Spain, regardless of what we might think of its form of government, is the most powerful deterrent forces to Russian aggression in Europe today.

The whole trend of current events calls for a continuance of a maximum mutual security program—more so than ever. We cannot at this critical time withdraw the shield of protection for assistance to our allies.

As the well-known majority leader of the Senate said recently—America's one hope of victory lies in standing together with our allies.

Mr. PASSMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, I believe that the free world must remain defensively strong if we are to continue to keep the peace.

I know that following World War II some of the leading nations in the world were facing economic collapse. At that time, property damage amounted to billions of dollars and millions of people had lost their lives. The Marshall plan saved our friends in Western Europe.

For nearly 15 years, we carried the mutual security program burden alone. During this period, we appropriated and expended over \$80 billion.

The bill before us today provides for \$3,384,500,000, for mutual security appropriations for the fiscal year 1961. In addition, an estimated \$52,514,000, in unobligated funds as of June 30, 1960, is reappropriated. The major items in this bill and our recommendations are as follows:

Item	Estimates	Recommended	Bill compared to estimates
Military assistance.....	\$2,000,000,000	\$1,600,000,000	-\$400,000,000
Defense support.....	724,000,000	600,000,000	-124,000,000
Technical cooperation.....	206,500,000	184,500,000	-22,000,000
Special assistance.....	268,500,000	206,000,000	-62,500,000
Other programs.....	101,000,000	94,000,000	-7,000,000
Contingency fund.....	175,000,000	150,000,000	-25,000,000
Development Loan Fund.....	700,000,000	550,000,000	-150,000,000
Total.....	4,175,000,000	3,384,500,000	-790,500,000

Mr. Chairman, the amount recommended in this bill is fully adequate for the mutual security program for fiscal year 1961.

At the present time, we still have the economic power to win the cold war, but certain changes in our aid and trade programs must take place. Our fiscal integrity must be maintained and we should not jeopardize our economy.

Western Europe is prospering and it is back on its feet. It is busy setting up the Common Market countries' agreement and the Outer Seven trade bloc. Of course, this is right unusual treatment to receive from those who have received so much from us since the close of the war.

Beginning with the Marshall plan, it was to our interest to encourage foreign aid recipients to buy from countries other than our country. We sanctioned restrictions of imports on our own merchandise. We made every possible move to get our friends back on their feet.

Today the situation has changed. Instead of being the recipient of a surplus of balance-of-trade payments, the reverse is true.

Foreign trade is a part of our foreign policy, and certainly the time has ar-

rived when we must talk quite frankly to our friends. With \$19.5 billion in gold in this country, we have outstanding claims abroad against our gold amounting to approximately \$9 billion. Certain individuals and foreign corporations also hold some 7 billion of our dollars. It requires \$12 billion in gold to support the outstanding Federal Reserve notes and deposits in Federal Reserve banks in our country. If the foreign holders of claims demanded their gold, it would simply mean that we would have insufficient gold to back up our Federal Reserve notes and deposits in the Federal Reserve System.

Even though our exports exceed our imports in value, our export of dollars through mutual security, military aid, economic aid, and loans is such that we are permitting a loss in gold credits which has reached the danger point.

Development of nuclear weapons has brought us to the point where warfare can hardly bring victory. Our future course of action must meet present-day requirements. We are living in an age which requires us to compete for men's minds and hearts.

Accepting the philosophy that our foreign aid program is an investment in

strength and democracy still does not mean that the waste in this program should continue.

We know full well that millions of dollars have been squandered in the mutual security program, and in a number of instances our foreign aid dollars have not been used for the purposes for which they were given.

During our hearing, several matters were developed in detail which should now be receiving the attention of the Inspector General and Comptroller.

It was established that a nonprofit institution known as the Governmental Affairs Institute entered into a contract with the ICA on February 12, 1957. This contract was to expire on June 30, 1960. The total amount involved was \$1,113,000, and the Governmental Affairs Institute was to advise and guide the plan of organization in Iran using 12 management specialists in various fields. This contract involved technical cooperation and the specialists were to be used in organization, personnel administration, accounting, auditing, budgeting, statistics, and general reports. Beginning on page 1131 of part I of the hearings and continuing through 1206, you will find this sad story.

Of the 12 technicians, 9 were former government employees. Some received salaries of \$18,000, per year, and others were paid by the week and by the day. In one instance, one of the officials of the Governmental Affairs Institute who by the way received a salary of \$10,000, a year, also received some \$6,025 which represented payments at \$100 per day for time spent in Iran and for time spent on this program. Of the total amount involved, \$228,530.43 is for overhead; \$20,758.15 was for transportation of automobiles; \$12,438 was for air freight for excess baggage; \$24,605.41 for transportation of household effects; \$90,909.85 was for travel of technicians; \$20,158.15 was for international travel from here to Iran; \$5,368 was for travel allowance in the United States; \$12,000 was for out-of-pocket expenses; \$39,000 was for a retirement system; insurance premiums totaled \$4,653.04; social security taxes amounted to \$5,958.98; educational allowances totaled \$14,400.51; \$18,191.77 was consumed in travel for the senior committee of this Institute; and \$596,235, is for salaries.

A chart appears on page 1169 covering the period from February 12, 1957, through March 31, 1960. During this period, all of the 16 employees of the Governmental Affairs Institute received total base pay amounting to \$408,616.33. One of the technicians received \$32,983.69; another received \$30,083.33; another received \$38,461.75; another received \$58,794.91; another received \$40,992.26; another received \$39,706.24; and so on down the list. You will note that the salaries range from \$5,265 to \$18,000.

On page 1200 you will find a chart which discloses the fact that the vice president, secretary, and acting treasurer of this nonprofit institute receives an annual salary of \$17,000.

The technicians used in the Iran program, under this Governmental Affairs Institute contract cost our Government

\$28,200 per man each year. Technicians employed by ICA under the technical cooperation program cost the Government approximately \$17,000 per year. The amount provided for under the Governmental Affairs Institute contract as you can see is nearly double.

We must keep in mind that we have passed the point when the noncommunist world is willing or forced to look only to us for economic aid. A number of countries assisted by us in the past now believe that we have a competitor in the Soviet Union. Some are now bargaining with Russia and with our country.

We now have problems in our own backyard.

Today, Russia is attempting to exert more influence in Latin America through trade and propaganda offenses than at any time in the past. We know that the 20 Republics of Latin America comprise an area of almost 8 million square miles and the total population is about 185 million, and Latin America is the fastest growing area in the world. While the rate of industrial progress in Latin America in the past several decades has been phenomenal, the economy of the region as a whole is still essentially agrarian and mineral. Too many countries are still dependent upon one native commodity, such as coffee, sugar, copper, or tin. As a consequence, fluctuations in world markets can raise havoc with national economies.

We know that economic progress is a very important factor in preventing the spread of communism in Latin America, but economic progress is not a cureall. It will not guarantee peace and democracy. But it can provide jobs for the jobless and land for the landless. It can provide satisfactory outlets for restless intellectuals and it can reduce the tensions within, and the clamor for crusades against those outside. It can replace apathy and disaffection with hope and confidence. This should be the rationale for our foreign-aid program in Latin America.

Mr. Chairman, we must remain strong spiritually, economically, and militarily in order to preserve our freedom and the peace of the world. To justify the appropriation of funds for this particular program, it is imperative that we eliminate all waste and duplication. Total funds available for expenditure in fiscal year 1961 amount to \$8,154,365,000. The unexpended funds total \$4,713,665,000, and this amount together with the new money in this bill, and the reappropriated funds give us the total which I have just mentioned. The amount recommended in this bill is fully adequate for the mutual security program for fiscal year 1961.

Our committee recommends this bill to the Members of the House.

(Mr. NATCHER asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Chairman, I yield 19 minutes to the gentleman from Massachusetts [Mr. CONTE].

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, before proceeding with some of my objections to the cuts in this bill and the restrictive limitations I should like to discuss some of the remarks made by my Chairman. I would like to quote from his speech on the floor here today:

No one is going to tear my figures down, try as hard as you may.

Mr. Chairman, the gentleman sent to every Member of Congress a fact sheet, "Mutual Security Dollar Funds by Program and Amount," showing the total available for expenditure. Having great respect for my chairman, as I do, I took his word; but I thought I would tabulate these on the adding machine for human error. He has a total here of unexpended funds of \$4,713,665,000.

In tabulating these figures on the adding machine, the total came to \$4,715,565,000.

I further investigated his figures, I became interested and intrigued, and I noticed that on defense support he had unexpended figure of \$758,601,000. I checked the committee report voted on by the majority of this committee and I found in that report the figure was different. Instead of \$758,601,000 the committee report, which I understand is correct, is \$758,001,000.

I then investigated further, Mr. Chairman, and I found the technical cooperation, bilateral figure in error. In the report that he sent to the Members of Congress he had a figure of \$168,417,000. I then again checked the committee report and the committee had a figure of \$167,617,000.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield.

Mr. PASSMAN. Those people will change their figures as frequently as the sun rises. All of my figures will stand up to the dollar. If the gentleman does not understand the facts of the matter it is not my fault.

Mr. CONTE. These are the figures he sent around to the Members of Congress. Here is the committee report. These do not come from downtown. Check them, compare the two. Put them on an adding machine.

He mentions the public debt of the United States and says that it is greater than the total debt of all countries we are giving aid to. Let us take his famous cuff-link formula which he used about a hundred times in committee, about the \$36 cuff links the bought in Hong Kong. He stated he could sell them in jewelry store for \$165 here in the United States, a ratio of \$36 to the \$165. However, for the purposes of this analysis, the disparity needs to be flattened out by one-third since only two-thirds of the listed countries are underdeveloped. For general purposes, 25 to 100 or 1 to 4, we find, Mr. Chairman, the total debt of these countries is \$236 billion. Using his formula, the cuff-link formula, times four, comes to \$944 billion compared with \$288 billion of the United States. This is not my formula, this cuff-link formula that we heard so much of in committee.

Mr. Chairman, I rise in support of the amendments that will be put forth here

today in the military and defense support fields because I feel that these cuts are of a crippling nature to the pending bill. I am also concerned, Mr. Chairman, with many of the limitations inserted by this subcommittee on point IV program.

The chairman can laugh all he wants. He can try to take the prerogative away from the Committee on Foreign Affairs. That is what he is doing here today. There is limitation after limitation here. Only a few weeks ago this Congress endorsed the Indus Basin project in the authorization bill. The chairman says, "I will cut the pins from the Indus Basin project. I will put a limitation in there. They will not be able to spend a plugged nickel." He did that in program after program. He is going to establish the policy of the Nation.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I decline to yield to the gentleman from Louisiana.

Mr. Chairman, I support the mutual security program and am in opposition to a number of crippling features of the pending bill. The minority report stresses two of the significant deficiencies of the bill—the unwarranted heavy reductions in the military assistance program and in defense support—unwarranted on the evidence before the committee—unwarranted by the facts of the world situation—and contrary to the firm and convincing judgment of the President, the Joint Chiefs of Staff, and the Secretaries of State and Defense.

I believe the severe reduction in special assistance endangers both short-run security programs and long-range humanitarian and progressive objectives.

I am also convinced that a number of provisions of the pending bill, other than on appropriation amounts, would seriously handicap the United States in the pursuit of our necessary responsible role as a leader in the move toward world peace. Specifically, I oppose the placing of shackles on technical cooperation, the gross delimiting of the contingency fund, the rejection of our necessary part in the solution of the troublesome Indus waters problem, and the illogical narrowing of the special program for tropical Africa.

MILITARY ASSISTANCE

I strongly support the statements by my colleagues from New York and Michigan in regard to the partial restoration of the Military Assistance Acts.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman from Virginia.

Mr. GARY. Is it not a fact that practically every one of these limitations was supported by the members of the committee on your side of the aisle?

Mr. CONTE. They certainly were not supported by me.

Mr. GARY. That is not an answer to my question. Were they not supported also by members on your side of the aisle?

Mr. CONTE. Mr. Chairman, I can only speak for myself. I oppose them

and I took reservations because I knew I was going to speak on them here today.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. I would like the gentleman to know, as he well knows, that I, too, took reservations on the restrictions and I stated specifically before the full committee that I was going to reserve on a number of the restrictions and limitations that were in the bill.

Mr. CONTE. The gentleman from Illinois and I were going to file additional views but, unfortunately, through a technicality, that was ruled out by the chairman.

Mr. PASSMAN. I beg the gentleman's pardon. I was not even consulted relative to such a proposal. What does the gentleman mean when he says that the chairman ruled it out?

Mr. CONTE. I did not say the chairman of the subcommittee. This is the chairman of the full committee.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. If I may clarify that point, I think what the gentleman from Massachusetts meant by that was that he made an inquiry as to whether he could file separate views on the report, and it was the ruling of the chairman of the full committee, and not of the subcommittee, as to the filing of these separate views.

Mr. CONTE. Mr. Chairman, I cannot yield further.

In regard to defense support, the committee proposed \$600 million. This is 47 percent below the program just 3 years ago. It is 23 percent below the program of the current year. The executive has described to us plans for further progressive reduction in the immediate next years for many of the defense support countries. We should all take pleasure in the improvements of the conditions which have permitted these reductions and which promise more reductions in the future. However, make no mistake, Mr. Chairman and Members of the House, it is the improvements in the economic and administrative systems of these nations which makes this possible and not, I repeat, and not because of the aggressive intentions of the Soviet bloc being lessened.

TECHNICAL COOPERATION

In addition to a reduced appropriation, which with authorized carryover will be under the current year's level, this program would be shackled by a restrictive provision in the committee bill. The prohibition against starting technical cooperation projects which are not presented in the Executive's proposed program introduces unworkable rigidity into this bipartisan program.

SPECIAL ASSISTANCE

I also wish to call to the attention of the House the possible harm to our security interest in the serious reduction of \$50 million below the authorization which is proposed for special assistance. I am concerned with the very difficult

job which will face the President if he has to live with this reduction which is nearly 25 percent below the request—particularly in view of major requirements of vital security interest which must be met from special assistance—strategic airbases in Morocco and Libya, support to Jordan without which violence in the Middle East would almost certainly erupt—oil and communications, as well as the threat of world war involvement—maintenance of effective operations in Afghanistan on the Soviet border and recipient of vast Soviet aid.

These four critical programs with the malaria eradication program which the committee report leaves untouched come to 78 percent of the appropriation proposed. These figures cannot be reduced without hazard. Accordingly, the remaining requirements must be subject to very drastic reduction which the President may find impossible. Other proponents have urged the untouchability of other worthy elements of special assistance. The Committee on Foreign Affairs urged maintenance of the programmed figure for the special program for tropical Africa and also in its report recommended a higher level for Israel than was programmed by the Executive. The Senate Committee on Foreign Relations recommended retention in full of the African program and the health and related activities.

Consideration of a reduction of almost 25 percent in this appropriation poses a most difficult dilemma to the House, as it will to the Executive. The dilemma is that of the choice between the long-range good and the short-range imperative. The choice is between military bases and full support to the malaria eradication program, between staving off certain collapse of Jordan and aid to American-sponsored schools abroad, between maintenance of an operating foothold in Soviet-courted Afghanistan and the longer run education task in tropical Africa, between averting probable chaos in Bolivia and Haiti and international medical research.

I do not wish to thrust this type of cruel choice on the President. I recognize the clear and present dangers which dictate much of the special assistance program. I subscribe wholeheartedly to the enduring merits and cumulative values contained in its constructive forward-looking elements such as the malaria program. At the low figure in the committee bill, the long-range will inevitably suffer under the pressure of the immediate and urgent.

CONTINGENCY FUND

Mr. Chairman, I also am disturbed by the limitation on the ability of the President to meet security pressures which may occur—a limitation imposed by the restriction on use of contingency funds. The provision on contingency might preclude speeding up or increasing a vital security program as it is now worded. It states that contingency funds cannot be used for projects or activities for which an estimate has been submitted to Congress.

There have been estimates submitted for modernization of armies of a number of allies; for base construction in key

areas, that is, the Philippines; for long-range economic stabilization programs essential to political and military posture, as in Turkey.

Activities of these types have had to be accelerated in the past to confront crises—in the Middle East and in the Far East.

Estimates have been submitted for these programs. I fear that the contingency limitation might be interpreted as limiting the ability of the President to accelerate deliveries, rush construction, or otherwise act rapidly and effectively. Reductions already made in the President's request for other categories will require programming below the estimates. Can we afford to prevent the President from using the contingency fund to restore the reductions? I submit that we cannot so handicap ourselves.

INDUS BASIN DEVELOPMENT

The bill reverses the recent action of both Houses of Congress and prohibits U.S. participation in the multi-nation plan to assist in the resolution of the Indus waters question, which has plagued two major and friendly nations for some years. I strongly urge that this provision be stricken so that we may join with the other contributing nations to permit India and Pakistan—with nearly a quarter of the world's population—to address themselves even more fully to peaceful, constructive pursuits.

SPECIAL PROGRAM FOR TROPICAL AFRICA

The Executive has presented a strong case for a long run program to assist the old and the many new, small nations of tropical Africa to begin to train leaders, administrators, engineers, doctors and other technical personnel. Without these they will not be able to govern themselves or function in world society and would as a direct consequence sink into chaos—subject to infiltration or exploitation by African or other aggressors.

The bill permits this program of vital education and training to move ahead but refuses funds for construction of training institutes or facilities. This is almost like saying "hang your clothes on a hickory limb, but don't go near the water." To my mind this is absurd and dangerous. We must not allow the advantage—temporary I hope—which the Soviet bloc has gained by rapidly moving to build and staff a technical institute in Guinea to be duplicated elsewhere by imposing limitations on ourselves.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. Is not the most critical thing that is needed in Africa facilities for the training of administrators, personnel and so forth?

Mr. CONTE. Yes. We are not going to train them in the burning sun down there. We have to have buildings so that we can train them ably. This is the most ridiculous amendment.

CONCLUSION

These are times which call for confidence—in ourselves, in our friends and in the prospects for our form of society in a peaceful world. In this confident spirit—within our demonstrated great

capacity—we must continue prudent mutual defensive programs as well as cooperative, constructive activities. The pending bill—in a number of its recommended amounts and in a number of its restrictive provisions—fails to measure up—confidently—to the tasks of security, peace and progress for the United States and the free world.

I hope this Congress in its wisdom will restore back in part, at least, the money in the military assistance program and in defense program which I will offer in an amendment later on today, and take away some of the shackles that now exist, take away some of this restrictive language which will tie the hands of the Administrator of the mutual security program.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Iowa.

Mr. GROSS. Can the gentleman give me any idea as to how much in the way of U.S. securities the recipient nations hold? It seems to me I have somewhere seen a figure of approximately \$4.5 billion that the recipient nations of this foreign aid handout program hold in U.S. securities—foreign governments, banks, official institutions, and individuals.

Mr. CONTE. Is that the governments or individual holding the securities?

Mr. GROSS. Both.

Mr. CONTE. I think the gentleman will find that those are certain individuals in these countries who hold American securities.

Mr. GROSS. To the extent of \$4.5 billion, approximately.

Mr. PASSMAN. Mr. Chairman, I yield myself 1 minute so that I may reply briefly to the able and congenial gentleman, my colleague from Massachusetts, Mr. CONTE.

After having served in the House, as I have, for 14 years—12 years on the Appropriations Committee, 8 years on the subcommittee, and 6 years as chairman—maybe the gentleman will come to have a little bit more faith in the committee. Let me say to the gentleman that I am not going to put out any erroneous figures. I stay in touch with the Department, and I hold in my hand a letter dated May 27, 1960, showing that \$79.9 million will accrue to the mutual security program:

Military assistance, mutual security military sales collections, \$40 million; Development Loan Fund, receipts from operations, \$38 million; defense support, \$600,000; bilateral technical cooperation \$800,000; and administrative expenses, ICA, \$500,000; making a total of \$79.9 million.

So, if the gentleman from Massachusetts would like for me to have this letter mimeographed and to send him some copies, I will do so, and he will be in possession of the true facts.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. PASSMAN. Mr. Chairman, I yield 13 minutes to the gentleman from Alabama [Mr. ANDREWS].

Mr. ANDREWS. Mr. Chairman and members of the Committee, I do not be-

lieve that if the members took the report of the Comptroller General—and it is in the hearings—and read it, you would have any fear about harm being done to the ICA program under the committee bill. As our chairman pointed out, on November 2, 1959, in the Wall Street Journal, we found this story:

The State Department, the overseer of the economic and military aid, is pressing for a larger request, officials disclosed, on the ground that congressional paring may reduce the aid requested to dangerous levels.

Those of you who have been around here for a long time know that it is almost a uniform custom of bureaucrats coming to Congress and asking for more money than they need. And, I think that is exactly what happened in this case.

One of the finest Government officials that I have ever known is a member of your party, an appointee of your President, Mr. Joseph Campbell, the Comptroller General of the United States. He is a dedicated, conscientious public official. He came before our committee last year and said:

If there were less money available, there would be a better job done.

He was speaking of this ICA program. He came back this year on May 16 and again told our committee, and I quote:

I am still of the same opinion that if the program had more competent people in it, with the present amount of money, they could do a better job.

Now, as our chairman pointed out to you, this program over all will have more money in 1961 than in 1960. It is estimated that there will be approximately a \$52 million unobligated balance on July 1.

Now, if you Members would take the time and read the Record and find out for yourselves how your tax money is wasted by these people in ICA, I do not think you would have any hesitancy about supporting the subcommittee and the full committee on the amount recommended in this bill. We do not have time to tell you about all the cases of waste, extravagance and mismanagement. But, we spent 12 weeks checking into this program.

The Comptroller General spent 2 full days with our committee. He said that—

Equipment has been furnished to many countries in excess of their capability to utilize it adequately, due in large part to the lack of trained personnel. For example, in one country, reports from using units indicate that there are only about 40 percent of the needed radio operators and that receipt of newer, more complex equipment would aggravate this problem.

In other words, in one country they had shipped in far more radio equipment than they had personnel to operate the equipment. He said further:

In some countries, aircraft have been delivered in quantities in excess of the number of available qualified pilots. For example, in one country there were about two jet aircraft available for each pilot, including instructors.

He said further:

Our examinations frequently disclose that the program submissions prepared by the

MAAG's contain equipment to meet training requirements although like equipment is apparently available from quantities furnished units which are only partially staffed.

For example, 255 tanks were programmed for 5 tank battalions having active strengths of only 6 people each, or a total of 30 men for the 255 tanks.

I repeat, this record is literally filled with examples of waste and mismanagement. I am sure you have heard of a very, very plush contract, shall I say, that ICA made with the Johns Hopkins Institute. The total amount involved was but \$80,000, but that is not peanuts, as they say in my country. It is a good example to show what a reckless attitude these people have toward taxpayers' money. They made a contract with Johns Hopkins Institute for a lecture course. And that is what it amounted to; it was not a school in any sense of the word, just a series of lectures. And I will say this for them, they lectured those ICA employees to death. Under the terms of the contract they told us that the school was to operate 5 days a week, 8 hours a day, or 40 hours a week. We investigated and found that they did not have classes in the afternoon except once or twice a week. We sent an investigator down on an afternoon to see how the school was being operated. The program of lectures is set out in the Record on page 1027 of volume I and I think you will find the subjects on which they were lectured very, very interesting.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Iowa.

Mr. GROSS. I went out to this same institution one afternoon about a year and a half ago, walked in, and there was not a wheel turning in the place.

Mr. ANDREWS. It is a little better now. When our staff investigator went there there was one student and one lecturer, however, there was no lecturing going on at the time.

Mr. GROSS. When I was there there was not a wheel turning.

Mr. CAHILL. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman.

Mr. CAHILL. Will the gentleman explain to me this? I recognize that the gentleman is making a case on the abuses. I am wondering what the committee has done by way of removing from Government service the people who are responsible for these abuses, so that there will be no repetition of them in the future.

Mr. ANDREWS. Unfortunately, this committee has no jurisdiction in that area.

Mr. CAHILL. What recommendations have the committee made?

Mr. ANDREWS. The best way you can stop those abuses is to cut the amount requested, as the committee has done. We do not hire those people, and cannot fire them.

Mr. CAHILL. Has the committee made any specific recommendations in the report or anywhere else as to the responsibility?

Mr. ANDREWS. I think making recommendations to ICA would be like pouring water on a duck's back. They told us they overrode a recommendation we made in last year's report. They paid no attention to it.

Mr. CAHILL. Does not the gentleman feel that the publication of the names of the people who are responsible for these mistakes might accomplish some good?

Mr. ANDREWS. They are in the record.

Mr. CAHILL. The individuals that are responsible?

Mr. ANDREWS. Yes. You will find in the hearings the name of the man who said he was responsible for making the contract.

Mr. CAHILL. He is still connected with the Government?

Mr. ANDREWS. He is still connected with them.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Iowa.

Mr. GROSS. If I read the hearing record correctly, we are spending \$100,000 in Israel to teach some of the people of that country how to run banks and lending institutions.

Mr. ANDREWS. I would not say that is a bad program, as bad as some of the others.

Mr. GROSS. I think the people of Israel could teach most of us a lot about banking. They have been in the business a long time. They know how to do it.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Virginia.

Mr. GARY. There is considerable money in this bill to improve the farming situation in various countries. It seems to me I have heard some rumors of the fact that our own farm situation is not altogether satisfactory. We might start at home in our farm improvements.

Mr. ANDREWS. In conclusion, let me say this. I want to tell you one other thing about the Johns Hopkins Institute contract, just to show you how your money is being spent. They gave the committee a list of lecturers. Bear in mind that all of the students were well-paid employees of ICA. They are on the payroll at a pretty good salary, if I remember correctly, upward of \$8,000 each, some of them \$14,000 and \$15,000. They are men who have been with the program a long time. They were supposed to go to school 8 hours a day, 5 days a week, and they went only to morning sessions except for a few occasional afternoon sessions.

They gave the committee a list of the lecturers, one of whom was a staff member of a committee over on the Senate side. He heard about it, and he wrote a letter. You will find his letter on page 1327 of part II. In that letter he said he had never lectured at that school, he had never been consulted about lecturing there, and he knew nothing about it. A little thing, but, for that 5 months school, which was supposed to run 8

hours a day, 5 days a week, but which as a matter of fact operated only in the mornings except 2 afternoons a week, ICA paid Johns Hopkins Institute \$4,000 per student. That was the tuition, \$80,000 for 5 weeks. I will venture to say there is no institution in the world charging any such tuition fee as that. That is one of the ways in which your money is wasted.

I say to you in all sincerity that I think the amount of money in this bill recommended by your subcommittee and the full committee is ample to get a wonderful job done if they will just bear in mind what Mr. Joe Campbell said: "If there were less money available there would be a better job done."

Mr. PASSMAN. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. ALEXANDER].

(Mr. ALEXANDER asked and was given permission to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Chairman, we debate the mutual security appropriation bill today in an international atmosphere charged with great danger to the United States and the other nations of the free world. During the past several months we have seen a rapid decline in the prestige of the United States abroad and a grave increase in tensions between the free nations and the Communist bloc.

Certainly, we have seen a change in the government in Korea, the situation in Japan, the agitation in Turkey and at no time in the history of our country have we had a period fraught with more danger to ourselves and our allies. At no time in the past have we been in greater need of strong, dependable allies overseas.

Mr. Chairman, it is a recognized fact that the United States cannot stand alone in the battle against communism. For this Nation to attempt to win the struggle alone that is taking place in the world for the minds of men would be to invite disaster. The great effort required to protect the free world and guarantee dignity for mankind depends not only upon the military and economic strength of the United States, but the good will and military resources of our allies in every part of the world.

Our military and defense support programs are essential if our allies are to have the means of resisting communism. It is imperative that we continue these programs, especially at this critical period in our international relations. The Communists fear only strength, and we would be taking a grave risk to the security of the free world if we did not continue to make available to those staunch allies of ours overseas, resources whereby they can join the common goal of the West in preserving freedom.

The mutual security bill, as reported by the House Committee on Appropriations, contains, I believe adequate funds for our military assistance and defense support programs. I believe the funds, as provided by the committee, are necessary to carry on these essential programs. There should be no further reductions in the funds provided, as I fear such action will only increase the tempo of

the Communist bloc to intimidate our friends overseas.

I want to make myself abundantly clear. I believe the funds provided and made available in this bill are, in my opinion, much higher than I would have ever guessed several weeks ago. I believe the committee has been very responsive to the changing international situation. The committee recommends an appropriation of \$1,600 million plus the reappropriation of unobligated balances remaining available on June 30, estimated to be \$35 million. The recommended amount is \$400 million below the budget estimate, but this is important—it is \$300 million more than was appropriated for the fiscal year 1960. The recommended amount of \$1,600 million plus military sales receipts of \$40 million and \$2,079,246,000 in unexpended funds as of June 30 will provide a total of \$3,719,246,000 for expenditures in fiscal 1961.

Funds are available. The committee recommended appropriations for 1961 of \$3,384,500 plus other funds on hand. This will make available \$8,154,365,000 for expenditure in the fiscal year 1961. The comparable figure for July 1, 1959, was \$8,111,521,750.

In my opinion this will give us adequate funds.

The question has come up as to whether or not under the military assistance section of this bill there are sufficient funds to take care of us in the situation today. It is my candid opinion that there are ample funds and that the committee has taken the international situation under consideration and has made allowances certainly that will give to the State Department and the head of the ICA plenty of room in which to maneuver and to operate. Frankly, there are many instances in this program—I could cite instance after instance, but I am not going to take your time to do so—to show the weaknesses of this program. I certainly have grave doubts as to the accomplishments of this program through the years, because since 1953 it seems to me that our foreign relations are in worse shape, even after we have spent billions and billions of dollars, than they were many years ago when we were not using foreign aid as a basic plank of our foreign policy. I have been opposed to much of the mutual security program in years past but I want to be secure and I will go along with the Committee on Appropriations as far as the military assistance and defense support section of this bill is concerned. There are, however, many other sections in this program which I cannot support. In addition to military assistance and the defense support program, we have the Development Loan Fund, the development assistance, the special assistance, the President's Asian Fund, the President's Contingency Fund, Technical Cooperation, Technical Cooperation United Nations, Technical Cooperation to Organization of American States, Joint Control Areas, Atoms for Peace, the North Atlantic Treaty Organization, the Intergovernmental Committee for European Migration, the United Nations Contingency Fund, the Escapee Program,

the UN Children's Fund, the UN Relief Agency, the NATO science program, together with administrative expenses for state and ICA programs. Certainly many of these program have merit, but I must say to you quite candidly I cannot support the entire program as a package. It is regrettable to me that I do not have the opportunity to vote for those programs which I think are worth while and have been of great benefit to the United States.

I have been alarmed at certain things which we have done in some of these programs. For instance, I have expressed my grave concern about the overall policy of our mutual security program, and particularly as to how it might apply under the Development Loan Fund. In many fields we have given out to foreign nations and tried to teach them, and to place in production in their countries the very things which we either grew or manufactured in excess in this country and which we exported to foreign markets.

I have felt very strongly that we should be promoting things which would not bring the chicken back home to roost in a way that would destroy our manufacturing concerns and take the jobs of our American workers. I live in a textile area and am very familiar with the grave problem which the textile manufacturers and the textile workers face with reference to imports of textile goods; all of which have been promoted, nurtured, and expanded with the American tax dollar.

I had intended to offer an amendment under the development loan program which would prohibit the agency from making a loan for a new textile industry in any of the underdeveloped countries. However, I was assured by Mr. Brand, on page 461 of our hearings, that—

The record will stand to show that in the textile business we have not made a single loan to a textile industry since I have been Managing Director, which is since September, 1959. * * * Although we have had several applications, we felt at this particular time it was difficult to do that without having an impact upon our own economy.

I am glad to know that they are no longer making loans of this type to establish new textile plants which would have an adverse impact on our own economy.

Now I am sure there are many instances of waste in our military assistance program. I strongly feel they should be eliminated and I feel very strongly that we must keep our missile bases within striking distance of the Communists and that at this particular time we must remain strong.

The free nations of the world must remain united if the battle for survival against communism is to be won. Our United States is the last great hope of freemen and we should not disappoint those friends of ours overseas who stand with us in the achievement of a just peace and the preservation of human dignity.

Mr. HALEY. Mr. Chairman, I rise in opposition to the proposition that we again appropriate more billions of dollars to continue the wasteful and bungling monstrosity we call a foreign aid program, or a mutual security program.

The time has come for this House and this Government to face up to a reality that most of our constituents, the taxpayers of America, already have faced.

That reality is simply this—there may be a great deal of foreign aid in this program, but there is in it neither mutuality nor security. To the contrary, this program is operated in such a manner that it is destroying our own economic security. And once our economic security has been destroyed, so will be the security of our form of government, our way of life, and finally, our identity as a nation.

I prefer to call this a misappropriations bill. This is a program of using our own money to destroy our own economy—using a corporation's income taxes to set up plants in low-wage areas overseas to compete with the American corporation and perhaps force it to shut its plants—of using the dollars of the American wage earner in such a manner as to cost the wage earner his job.

Just last week I read an official announcement from the Labor Department which said the unemployment level in the United States must be expected to remain high for years to come. Of course, it will remain high, Mr. Chairman, if we continue to use our own tax income to destroy the productive capacity of our free enterprise system, then we obviously are destroying the jobs and guaranteeing a high level of unemployment.

I have come to the conclusion that this is a bill which calls for us to export our tax dollars and import unemployment.

I am an accountant by profession and not a lawyer. But I have dealt enough with the making of the law, as a member of the legislature in my own State of Florida and as a Member of this body, to know something about law. I do not think a man must be a lawyer, or must have any particular knowledge of the law, to know that there is no authority in the Constitution of the United States for the making of appropriations such as are called for in this bill, and have been called for in the foreign aid appropriations bills of past years.

The Constitution, Mr. Chairman, says very plainly and very explicitly that "the Congress shall have the power to levy and collect taxes, duties, imposts, and excises to pay the debts, and provide for the common defense and general welfare of the United States." I am quoting from section 8 of article 1.

That provision, in my opinion, prevents us from appropriating—appropriating legally, I mean—money for this type of foreign aid program. That section of the Constitution says that it is the "debts of the United States"—not the debts of foreign nations—that can be paid with the taxpayer's money. That section of the Constitution says that it is for the common defense and the general welfare of the United States, not the defense and welfare of foreign nations, that we have the power to tax and the power to spend.

Now it is the Constitution of the United States which is the supreme law

of this land—and not, as some people seem to think, decisions of the Supreme Court. The Congress of the United States has no power to do anything except those things specifically enumerated in the Constitution. Yet we are preparing to exercise here today a power which the Constitution does not give us. I wonder, Mr. Chairman, what it is that we are doing in the light of the oath we all have taken, to "preserve, protect, and defend the Constitution"?

I would not have my colleagues in the House who are preparing to vote for this bill to take the word of a mere accountant on a legal matter. I can cite numerous opinions of some of the Nation's most distinguished legal minds in support of the viewpoint I am advancing.

Many of you here today served in this House with the distinguished senior Member of the other body from the State of North Carolina. He was regarded in his brief service in the House as having one of its finest legal minds; he is so regarded in the other body. Between his service in this and the other body, SAM J. ERVIN served with brilliance and distinction as a member of the supreme court of his own State. And here is what he has to say on the matter I am discussing:

I believe that under the Constitution of the United States we have no right to take tax money and spend it for any purpose except that which is calculated to promote the general welfare of the United States. I do not think we are empowered to take tax money and give it to neutrals merely to advance their economic welfare. I do not believe we should take tax money to pay neutrals to remain neutral, because that does not advance the welfare of the United States as a government. If the United States were an institution operating charities instead of operating a government which depends on tax resources for its finances, then I would say it would be all right for the United States to act as a universal Santa Claus. Our Government is not a charitable institution and the Constitution does not authorize it to act as such.

That is what Judge ERVIN said. And to it, I say "amen."

But there are others. Clarence E. Manion is a distinguished constitutional lawyer known to all of us either in person or by reputation. He has served in high positions in our Government, he was for a quarter of a century professor of constitutional law at Notre Dame University, and he was for a decade the dean of the law school of that distinguished educational institution.

And what does Dean Manion have to say on this subject? He said this:

It is my considered opinion that foreign aid, as presently constituted, is not authorized by the Constitution of the United States.

He said Congress "may not do what it pleases, but merely what is authorized by the Constitution." And he challenged the administration and the Congress, or anybody in it, to "point out the constitutional justification" for what he called—and I may say properly called—"this unpopular and incalculably expensive waste of the taxpayers' money."

For myself, I would be pleased if some of the expert constitutional lawyers, among those who will support this pro-

gram today, would accept Dean Manion's challenge. I doubt that the challenge will be accepted—because I doubt that the most skilled legal mind among this bill's advocates can find constitutional justification for this appropriation.

I say to you advocates of this bill, if there is one among you who can cite its constitutional support, you would be doing a favor to some of your colleagues who must wonder, as they vote for this misappropriation, what they are doing in the light of the oath they took, on becoming Members of this body, to "preserve, protect, and defend the Constitution."

I shall vote against this bill, because my conscience will neither permit me to take lightly the Constitution itself nor the oath I took to defend it.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LINDSAY].

(Mr. LINDSAY asked and was given permission to revise and extend his remarks.)

Mr. LINDSAY. Mr. Chairman, I would like to express my appreciation to the ranking minority member of the Committee on Appropriations for giving me a few minutes to go on record in support of the minority position on this bill and in support of the amendments that will be offered later to restore funds that have been cut from the mutual security appropriation. Of course, the mutual security program is an expensive business, but is it not better to take care of our defense in dollars now than in lives later? I always wonder whether it will take a hot war in order to discover what we should be able to discover in a cold war. I wonder whether the Members who have argued against the program and who have stated that no damage would be caused by the deep cuts in the amounts requested realize that this whole thing has got to be examined in light of the requirements of foreign policy in the world as it exists today. As I see it, the mutual security program is a primary arm of our foreign policy. I believe that substantial damage would be caused to our foreign policy interest, and our own national security if we should allow this bill to go through with the cuts that have been made so far by the committee. For my own part I am not willing to risk the future of our country by withholding my support of amendments that will be offered to restore these amounts.

I listened with great interest to the points made by the distinguished gentleman from Michigan [Mr. FORD] on the military aspects of the program and I must say I am in entire agreement.

There is another aspect to this program, and that is economic aid. In this connection I should like to say a word about the Development Loan Fund. There has not been much said about the DLF in the general debate today, and in a moment I should like to discuss it in greater detail.

Mr. Chairman, only a few weeks have transpired since the House considered and approved by a substantial majority—about a two-thirds majority—the Mutual Security Act itself which authorized the continuation of the program.

This was done after cutting \$88,700,000 from the authorization request.

Now we have reached the question of how much to appropriate, as distinguished from how much to authorize. Again, as in past years, we run into a strange pattern. Many of the Members of this body who are willing to authorize sums recommended by our Foreign Affairs Committee, after extensive hearings and study, now seem willing to accept appropriations smaller by many, many millions—appropriations which can have no other effect but to make it impossible to carry out the authorities granted only a few weeks ago.

Now why is this the case? Do Members really believe that while the continuation of the program is important and while the appropriation of funds for the program is important, the amounts appropriated do not really make too much difference? Do Members believe that no damage would be caused by the deep cuts recommended in the amount requested? This should be examined in the light of the requirements of U.S. foreign policy in the world as it exists today, for as I stated at the outset, the mutual security program is a primary arm of our foreign policy.

At this very moment we and our allies are again subjected to renewed threats and aggressive behavior on the part of the Communist countries. Their actions are designed to dissuade us from our determination to prevent the aggrandizement of their power. Their actions are also designed to weaken the determination of free peoples on the borders of the Soviet sphere and elsewhere, to pursue their own goals without foreign domination. This mutual security program is one of our main instruments to show the Soviet leaders that our resolve is in no way diminished; it provides the demonstrable evidence to all peoples that we are prepared to persevere in our free world security efforts.

The mutual security program contains provisions addressed to both long-term and short-term foreign policy interests.

Through the military assistance component, which covers half of the requested funds, we are in a very great measure providing a shield behind which free peoples can pursue their livelihood and work toward improving their lot. This meets a short-term need for protection through a powerful deterrent and retaliatory power. It also provides assurance that our intention is to maintain our military strength and the strength of our allies to provide this deterrence over the long run. The plain fact is that without the support which the military program provides, certain key allied forces would simply not be able to play an important deterrent role and their own contribution to collective security would inevitably diminish. The plain fact is also that unless the cut made in military assistance is restored our allies will be weakened and our own defense impaired.

The economic programs also relate to both the short term and long term requirements. Under the Defense Support category, assistance is provided to countries which could not otherwise

maintain armed forces of 3 million men alert to the dangers of communist expansion on the periphery of the Soviet Empire. The heavy reduction of \$124 million below the President's request will necessarily weaken the economies of these allies and reduce their ability to support forces we believe are important to the common defense. These funds should be restored.

Assistance under the category labeled special assistance helps maintain the minimum needs for economic stability in highly volatile parts of the world, particularly in the Middle East and North Africa. Certainly the funds deeply slashed from this program should be restored.

But free world security will not be secure very long through defense measures alone and through programs which support only the economic status quo. If we have learned anything from the experiences of the postwar era, it is that the peoples of the less developed countries have come into their own and the satisfaction of their legitimate aspirations is important to us for many reasons. Embedded in these aspirations is a deep and pressing determination to make significant economic progress.

The Development Loan Fund is the principal means we have of assisting them to meet these aspirations since its aim is to promote the expansion of the productive capabilities of the people. The technical assistance program also assists forward progress. The Loan Fund helps them to help themselves because it is with borrowings from the DLF that the countries are building the powerplants, the roads, the manufacturing plants and other facilities which will improve their lot and increase their future self-reliance.

In about 2½ years of lending the DLF has made what I believe is a very significant contribution to vital U.S. interests by providing funds which are available from no other source. All of this financing has been on a loan basis, a method which places the main responsibility for development squarely where it belongs—on the developing country itself.

It has been sometimes stated that the loans by the DLF are not loans at all since repayments are largely in the currency of the borrowing country. It is true that most of the loans are repayable in foreign currency, but over 20 percent of the loans are repayable in dollars, and there is no doubt whatsoever about the commitment to repay on all loans. But this skirts the main point which I believe should have more recognition. That is that, inasmuch as the continuation of development assistance is widely approved by the American people and their representatives, should not this be in the form of loans to the maximum extent possible? Recognizing that there are many situations where grants are still necessary, isn't the loan technique a far better way than any other?

Psychologically, loans foster better relationships between this country and the recipient countries and encourages greater self-confidence and initiative on

their part. Loans help remove suspicion about hidden motivations, but most of all, the loan methods utilized by the DLF help provide a realism about development that has not always been present. The borrower, whether it is a private business firm or a government entity must submit well thought out and documented proposals; it must assess its own priorities and requirements; it must explore the whole range of financial and material resources available to it; it must take the means to establish sound management, sound engineering services and sound methods of accounting for its real requirements and for the operation of the facility when it is completed. All these together add up to a greater sense of direction and greater self-reliance on the part of the less developed country.

Up until now, the appropriations have not been made available to the Development Loan Fund sufficiently large to meet a great many of the important proposals which have come before it. I believe that the Congress should provide it with the \$700 million necessary to meet the highest priority development needs, which I repeat, can be financed by no other source of funds since DLF loans are largely to countries with no current dollar repayment capacity. The cut made by the committee to the extent of \$150 million to me is indefensible. The funds should be restored.

We are currently faced with a new twist in the unabated Communist effort to subvert the less developed countries in their association with the United States. No doubt they will continue to use all the means at their disposal to do this, because they recognize that the path to world domination is through the teeming cities and impoverished villages of Asia, of Latin America, of Africa, and the other parts of the world where aroused expectations of visible progress have become irresistible and irreversible.

In the appropriations bill now before us we have an opportunity, and indeed a responsibility, to vote for funds adequate enough to make possible growth in freedom and with dignity. I sincerely believe if we fail to support the restoration of funds in this Mutual Security Program and to delete the limitations which will so seriously hamstring it we will be tampering with our own future and that of future generations of Americans.

(Mr. LINDSAY asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. CURTIS].

(Mr. CURTIS of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. CURTIS of Massachusetts. Mr. Chairman, I rise in support of the provisions passed by the Foreign Affairs Committee and accepted by the House. I oppose the cuts and other limitations made by the Appropriations Committee, and urge support of the amendments which will be offered to restore amounts and remove some of the limitations.

I take this time as a member of the Foreign Affairs Committee, which spent

many months in detailed hearings on this legislation. It is a little discouraging to find that the bill passed by that committee is being so seriously cut down by the bill now before us. Some of the proposed limitations are just as disastrous as are the lack of funds which are provided.

It was a great privilege to travel on a study mission last year which examined the results and operations of the mutual security program in the Far East and elsewhere. I am sure that I can speak for others who took that trip in saying that we were impressed by what this program has accomplished.

So, I submit to the committee that we should view this program a little more broadly than by focussing on examples of waste here and there, some of which are so far-fetched that we are even told that Johns Hopkins University, one of the greatest educational institutions in the land, is apparently accused of dishonesty in connection with one of these programs. That, at least is the way I interpreted the remarks that have been made in this Chamber, and which I cannot accept.

So I suggest that we take a broader view, and let us look at the world picture. Is this any time to cut back on the military potential of the United States of America? I say no, Mr. Chairman. And, we have been told by the military authorities of our country that these expenditures for military foreign aid are just as important to the defense of our country as are expenditures for our own defense forces. So, how can we accept the proposal of this bill that military foreign aid be cut \$400 million?

Second. With regard to these questions of mistakes and waste, I imagine that if we examined the programs of some of the other departments—say the Department of Agriculture, or even the Department of Defense—we could find examples where money had been improvidently spent. But, is that a reason, sir, for cutting down the necessary work of those departments?

Have we any assurance that the way to correct mistakes of judgment and waste is to limit the funds available? It seems to me, sir, that there are other ways of eliminating mistakes and waste; that those problems should be attacked directly, and that if we try to cure them by merely cutting down the amount of money available, we may find that some of this waste and mistakes will still continue but that the programs will be shackled because of lack of funds.

So, I say, let us not hamstring these programs because of these examples of mistakes. We all recognize the difficulties of dealing with these countries all over the world, many of them with different types of civilizations from our own. It is a tremendously difficult program to administer. We must rather bend our efforts to see that the administration of the program is improved.

One of the most important charges made against the present administration is that it has neglected the defenses of the United States; that the defense of our country has been sacrificed to the need for a balanced budget. Mr. Chairman, let those who are making that

claim come in here today and make provision for that defense.

Instead of that, what do we see? They come in here and cut down the military assistance program which the Chiefs of Staff and all of our military experts tell us is just as necessary to the defense of our country as is our own defense program.

How can critics say with one breath that the administration has failed to provide sufficient defense funds for our country and in the next breath come in here and cut down defense funds which are needed for the country?

Mr. Chairman, I want to quote from a speech that was made 2 days ago by a very leading contender for high public office in this country. He said that the summit conference was doomed to failure. Why? Because we had failed to provide adequately for the defense forces of our country and left ourselves in a position of weakness in dealing with the Communist nations.

All right; if that is true, are we going to come in here today and cut down further on the moneys available for our defense?

It is also said that we make insufficient provision for conventional types of troops to fight brush-fire wars. I would suggest, Mr. Chairman, that the forces that are made available through military assistance are in many cases conventional forces. They are the forces that would be needed in that type of war. And yet we are asked today to cut down on the sinews of war necessary for those forces.

Another passage in this speech to which I have referred recommended this:

Third. We must rebuild NATO into a viable and consolidated military force capable of deterring any kind of attack.

The Draper Commission, Mr. Chairman, came before the Committee on Foreign Affairs last year, and told us that modernization of the weapons of those forces was absolutely necessary. Yet now we are asked to cut down on the fund essential for that purpose.

And finally, going into the economic field for just a moment, I quote from this same speech which received much acclaim, in which it was said:

Seventh. We must greatly increase our efforts to encourage the newly emerging nations of the vast continent of Africa.

And, as chairman of the Subcommittee on African Affairs of the Committee on Foreign Relations, let me remind the Senate that in a few years, the countries of Africa will control one-quarter of all the votes in the General Assembly of the United Nations.

And yet, here today we are asked to shackle the very programs which will be effective in that vast continent of Africa.

Finally, I remind the committee that the program before us is a non-partisan program. It was started by the prior administration, and many of those sitting on this side of the aisle supported and commended the action then taken. In this country partisanship ends at the waterfront, and the bill before us is one concerned entirely with the foreign policy of the United States.

The President of the United States, who bears such awesome responsibility for our country's foreign policy, has re-

peatedly urged that these programs should be carried forward adequately. In his speech of May 2 on strengthening the frontiers of freedom, he said, referring to mutual security:

No other investment has yielded greater dividends in terms of stability, security and free world morale.

Let us then join together from both sides of the aisle and see to it that these essential programs are provided with the necessary funds and freed from shackling limitations.

Mr. PASSMAN. Mr. Chairman, I yield 10 minutes to the gentleman from New Mexico [Mr. MONTTOYA].

Mr. MONTTOYA. Mr. Chairman, initially I want to state that I am in favor of controlled foreign aid. I have voted for the authorization bill in the past and have voted for and supported the appropriations to implement the authorization. I have enjoyed working with the members of the subcommittee under the able direction of our very esteemed chairman, the gentleman from Louisiana. I have nothing but the most profound respect for both the Democratic and the Republican members of the committee who, I know, are dedicated public servants interested in the economical operation of our Government.

On occasion we encounter differences of opinion, but I would never question the motives that generate these differences. The bill which is before this committee at the present time is not the result of over-night gymnastics with figures. It represents months, weeks, days and long hours of calculated deliberation and study by members who are desirous of promoting the global interstate of the United States and her domestic welfare. I also know that these considerations are the guidelines for any action taken today by any of my colleagues in this House.

Personally, I cannot help but express words of commendation to those public servants who are charged with the most difficult task of administering the program for which money under this bill is appropriated. On frequent occasion we find lack of direction, lack of proper planning, and this might be because of the nature and scope of the program.

The hard fact we must face is that as Members of Congress we must discharge our duties to the fullest extent by exercising fiscal control and responsibility without losing the primary objectives enunciated in the foreign policy pronouncements of the executive department. This is all that this committee has strived to accomplish, even though divergence of opinion may cast a shadow upon these goals.

This bill recommends for the mutual security program an appropriation of \$3,384,500,000, which is divided as follows:

Military assistance-----	\$1,600,000,000
Defense support-----	600,000,000
Technical cooperation-----	184,500,000
Special assistance-----	206,000,000
Contingency fund-----	150,000,000
Development Loan Fund---	550,000,000
Other programs-----	94,000,000

This amount represents a reduction of \$790,500,000 from the original budget estimate submitted by the President in

the amount of \$4,175 million. While the bill carries additional appropriations for other functions, I will try to direct my attention mainly to the aspects of mutual security covered by the above figures which I have cited.

The sum which the committee has recommended is certainly not trivial by any stretch of the imagination. It represents hard-earned taxpayers' dollars which we must make sure are spent with wisdom and fruition. Since the inception of the mutual security program we have heard charges and countercharges made concerning extravagant spending and irresponsible fiscal management. Part of these charges are true and while this should not detract from the advisability of having a mutual security program, we feel compelled to become ever more alert as to how this money is to be spent and what destiny it might nurture in furthering the security of our country. To put the entire mutual security program into discernible perspective we must ask ourselves how much money is available in the pipeline and through the medium of this appropriation for fiscal year 1961. According to figures which we have compiled in the committee there will be available to the executive department for expenditure in fiscal year 1961 the grand total of \$8,154,365,000. This total is made up of new, unexpended, and unobligated funds under the present and previous appropriations.

In addition to this fund availability the American taxpayer must continue to bear the cost of U.S. garrisons abroad which total close to \$3 billion and the numerous related aid and subsidy programs. Then we have interest payments which are accruing periodically on money that we have had to borrow because of the additional expense represented by the mutual security program. In spite of the fact that the basic appropriation recommended hereunder totals \$3,384,500,000 we cannot run away from the inevitable conclusion that the foreign aid cost to our Government and the taxpayers now exceeds \$10 billion annually. Can we call this a trivial sum? Is this a dark moment in our history when we can say if we do not appropriate more Russia will step in and take our friends away?

I am not about to admit that our international ties of friendship are bridged by a pipeline of hard-earned taxpayers' dollars. This argument is rejected by the fact that we have lost some of our friends in spite of our monetary overtures. I have no quarrel with the objectives that underlie foreign aid and the promotion of our global security, and I do not believe any single member of this committee does either, but we can certainly not surrender our responsibility to the American people amidst showers of accusations that we are endangering the future posture of our country.

Supporting our position is the record of all these hearings which have been conducted painstakingly. Instances of waste upon waste have been uncovered. I wish that I had the time to cite from the record examples of fiscal mismanagement, or to put it more mildly, misdirection. Citing the testimony of the

Comptroller General, page 2269 of the hearings, there is an interesting revelation. I quote:

For example in one country the MAAG was aware that consideration was being given to deactivation of certain country forces as early as 1957. However, MAP-supported force goals in that country were not adjusted until January 1959 at which time the program was substantially advanced and over 90 percent of the conventional equipment programed had been delivered. In this country quantities of equipment, estimated to exceed \$100 million, are now excess to the needs of the forces currently approved or contemplated for MAP support. Although certain of the excesses resulted from deliveries made before there was knowledge of the country's plans for reducing its forces, substantial quantities of unneeded equipment were programed and delivered after the country's plans for deactivation became known.

In another country we were unable to determine how much equipment was delivered for units scheduled for deactivation because the Department of Defense denied us access to information regarding the recipient country's plans. However, at the time of our review, we observed that the MAAG had taken no action to cut back on funded programs although they had been aware for several months that the recipient country was planning to deactivate certain divisions. We were later advised by Department of Defense officials that after our review program revisions and deletions amounting to about \$15 million had been made as the result of the reduction in the forces being supported.

Citing another instance again quoting the Comptroller General in his testimony which appears on page 2271 of the hearings:

Equipment has been furnished to many countries in excess of their capability to utilize it adequately, due in large part to the lack of trained personnel. For example, in one country, reports from using units indicate that there are only about 40 percent of the needed radio operators and that receipt of newer, more complex equipment would aggravate this problem. With respect to vehicles, shortages of mechanics in various shops were as high as 50 percent, which was one of the principal reasons for the excessive deadline rate of 30 to 40 percent for wheeled vehicles. In one field artillery battalion, 12 howitzers received in mid-1957 were not fired until the latter part of 1958. Also, we found that rocket launchers and recoilless rifles were fired only two to three rounds each year per weapon in one country.

In some countries, aircraft have been delivered in quantities in excess of the number of available qualified pilots. For example, in one country there were about two jet aircraft available for each pilot, including instructors. At the time of our review, additional aircraft had been programed and were being delivered. Although a number of undelivered aircraft were canceled and the country has agreed to return some of the previously delivered aircraft, the MAAG in this country estimated that there will be excess or only partially utilized aircraft through March 1961. We have recently learned of a cost-sharing plan under which the military assistance program will contribute \$75 million toward the production of about 200 additional aircraft of a newer, more advanced design by a contractor in this country. Defense officials have assured us informally that the pilot training problem is receiving active consideration.

The record of the hearings demonstrates another patent difficulty which brings this program into ill repute, namely the need for improved programing at the recipient country level. This

is more clearly brought out by the testimony of General Campbell, and I quote from page 2275 as follows:

Our review disclosed overprogramming and excessive requisitioning of material resulting from (1) duplication of requirements, (2) failure to properly consider stocks on hand, (3) erroneous stock records, (4) overstatements of dues out to customers, and (5) inaccurate supply data for rebuild activities. For example, the quantity of torque rods on hand or being reclaimed by a machine shop was understated in computing the requirements and resulted in excess requisitioning of units valued at \$332,000. Wire spray material was programmed for use in 75 wire spray machines; although at the time of our review only 12 of the machines could be located. Requisitions amounting to \$502,000 for wool tropical cloth were canceled after our review disclosed adequate quantities on hand or due in. The fiscal year 1960 refined program included a requirement for about 15,000 rolls of glassine paper; however, our inspection showed 18,000 rolls to be in warehouse stocks which apparently had not been considered. One hundred and twenty generators valued at \$212,760 were requisitioned in 1958 and were duplicated again in 1959. The corrective action taken by the agency when these and numerous other cases were called to their attention resulted in program reductions of about \$6 million and requisition cancellations of about \$10 million.

Another glaring example fortifying the need for proper programming is the disclosure reflected in the record of hearings on page 2284 that a certain country was allocated in January 1958, 235 F-86 planes and 186 T-33 planes under the military assistance program and that the Air Force of that country only had 187 jet pilots including instructors, test pilots, and students. I repeat—a total of 421 planes and only 187 pilots, instructors, and students available to fly these planes. So what happened? I quote from the testimony of Mr. Gutmann which appears on page 2284 of the hearings:

In September 1958, 45 F-86 airplanes were in permanent storage. One hundred and thirteen were in temporary storage. At the same time there were also T-33 planes and 5 C-46 planes in permanent storage and 47 T-33 planes in temporary storage. The MAAG has estimated that there will be very little improvement in the situation through March 1961. At that time, after making allowances for tactical training and command support requirements, and after considering aircraft that will be required for inactive schoolwork and those which will be lost through attrition, the MAAG forecasts that — will have 101 F-86F planes excess to requirements and an additional 64 which will be only partially utilized. At the same time it is anticipated that there will be 50 excess T-33 planes.

Mr. Chairman, I cite these instances not to be critical in a manner that might indicate animosity toward the entire program; my purpose is constructive. It is designed to impress upon the membership here and the entire country that we must provide checks and balances by constricting spending and exacting thereby strict adherence to prudence and responsible administration by those charged with this responsibility. To give freely is but to encourage the continuation of carelessness. Are we to be called enemies of this program because we try to effectuate and bring about a better return for

our dollar? Is our judgment to become subjugated to appeals in the name of national security when in truth and in fact our course of action is directed to the same goals except that our compass is geared to a road of cautious spending and rigid regard for the American taxpayer's dollar?

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. BOSCH].

Mr. BOSCH. Mr. Chairman, I am opposed to H.R. 12619, the so-called mutual security and related agencies appropriation bill for 1961.

It may be well to review the total cost to the American taxpayers of this program from its inception in 1948 to 1959, inclusive. It is reliably reported that the foreign expenditures during these years reached the astronomical figure of \$87,077 million. One begins to wonder how much longer the American taxpayers can be burdened with the tremendous cost of this program.

As recently as October 1959 the President of the United States remarked:

Now, any reasonable person will recognize that no nation, even with the legendary strength of an Atlas, could long support the world on its shoulders.

Is it not foolish indeed that 6 percent of the world population, even with all of our natural resources, can indefinitely support 94 percent of the world's population through this type of handout legislation? Yet today do we fully realize that the total foreign aid cost, including interest on what we have borrowed to give away, now exceeds \$10 billion annually?

As I stated during the debate of this legislation's authorization bill, H.R. 11510, little good can be accomplished by restating the waste and extravagance experienced over the years in connection with the administration of this program. It is to be noted, however, that billions of dollars are being squandered on a global basis without adequate control and in areas where the American people do not have an opportunity to appraise any results.

Now what is the actual status of our mutual security program as of this time? It appears that the total funds expended and authorized by this legislation total \$8,154,365,000. Said total is made up as follows:

Unexpended funds (including unobligated) as of June 30, 1960.....	\$4,713,665,000
New funds recommended for fiscal year 1961.....	3,384,500,000
New funds (other) for fiscal year 1961.....	56,200,000
Grand total.....	8,154,365,000

Referring to the 1959 action by Congress on this mutual security program, we find the amount authorized for fiscal year 1960 was \$8,111,521,750 as compared to this year's proposed appropriation for fiscal 1961 of \$8,154,365,000. This represents an increase in available funds for fiscal year 1961 over fiscal year 1960 of \$42,843,250. It seems to me, Mr. Chairman, to be axiomatic that when a government spends more than its income and mortgages the income of several generations, inflation, collapse of the economy,

and a breakdown of the fiscal structure must necessarily follow.

Our esteemed President has stated:

Certainly I know we must find a substitute for the purely temporary business of bolstering the free nations through annual handouts that gets neither permanent results nor friends.

I believe in all sincerity that our foreign aid appropriations have served only to bring an overall progressive Federal extravagance that is destroying the value of our currency and adding impetus toward a collapse of our economy. In view of these convictions I cannot in good conscience support the appropriations provided for in this legislation.

(Mr. BOSCH asked and was given permission to revise and extend his remarks.)

(Mr. BARRY asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, I want to call the attention of the House to the dangerous situation confronting the dairy industry as a result of the gross misuse being made of large quantities of surplus nonfat dry milk under our export subsidy and relief programs overseas.

In testimony before the Committee on Agriculture and in remarks before the House in the last session, I opposed the gift and subsidized sales of Commodity Credit Corporation stocks to be used in the manufacturing of filled milk.

It just does not make sense to have the Department of Agriculture subsidize the movement of one ingredient of filled milk which is being sold in direct competition with our regular commercial exports of natural dairy products.

The dairy producers of my State are directly involved in this question since it permits the removal of butterfat from our milk, contributing further to the surplus of butterfat while helping to create an adulterated product to be sold in competition with our milk.

Furthermore, the good reputation of the American dairy industry as a whole is jeopardized by creating a suspicion that other dairy products in export are filled. It gives competing countries an opportunity to label our products as fraudulent.

At the same time, it undermines the very purpose of our mutual assistance program by contributing to the kind of scandals I intend to bring to the attention of the House today.

Witness the startling article written by Staff Reporter Robert P. Dorang which was published on the first page of the Wall Street Journal on Monday, April 25, 1960:

U.S. FOOD GIVEAWAYS BRING ONLY ILL WILL IN SOME FOREIGN LANDS—FOOD GOES TO BLACK MARKETS, IS SOMETIMES FED TO CATTLE—AGENCIES ARGUE OVER BLAME

(By Robert P. Dorang)

WASHINGTON.—Completely contrary to the Government's purpose, the big program for giving away surplus farm products overseas through private welfare agencies is making Uncle Sam out to be something of an ugly American.

This project has gone sadly wrong in some places, according to reports just received by Congress. In many foreign lands, U.S. food marked "Donated by the People of the United States—Not To Be Sold or Exchanged," has gone into the black market. In others, the free food has been sold to the needy, or to ordinary commercial operators. There has been thievery, interference by foreign governments, and feeding of good food to animals.

Officials of the two Washington agencies concerned—the Agriculture Department and the International Cooperation Administration—readily admit that Federal management of the program has been poor. And yet each of the agencies, which in the past have proudly trumpeted the merits of this particular food-giving plan, is firmly denying responsibility for what has gone wrong.

ICA'S INVOLVEMENT

Though the Agriculture Department supplies the commodities and can demand payment if they go astray, Department officials close to the program profess to be only vaguely familiar with the deficiencies now reported. ICA officials contend their agency became involved quite innocently in something not really its responsibility. One ICA man comments unhappily: "If the situation doesn't change, we might gracefully wash our hands of the whole thing."

Federal men are careful to stress that they are not charging the private welfare agencies with any wrongdoing in connection with the program. Much of the trouble, they say, has stemmed from use of foreign nationals to help in distribution of the food. Few of the private groups are so fully staffed that they can handle the entire job themselves.

What has brought the food scandals somewhat belatedly to light is a report given in a closed hearing to a House Appropriations subcommittee by the ICA. Now made public, the document lists 18 countries where something went wrong in the past 33 months, despite the good intentions of the welfare groups. ICA says most of the sad stories have been verified, although in some instances investigations are not yet completed. Here's part of what the agency has told Congress:

"Israel: Pilferage and widespread diversions to commercial market through illegal sales and exchanges.

"Korea: Unauthorized exchanges of commodities; diversions to black market; and charges of diversions of commodities to other countries.

"Pakistan: Pilferage; and diversion to commercial market through illegal sales and exchanges.

"Philippines: Isolated charges of black marketing.

"Taiwan (Formosa): Charges of padded recipient lists, black marketing and diversions to animal feed.

"Colombia: Thefts of commodities; illegal diversions to commercial channels; and needy recipients required to pay small charges for commodities received."

DIVIDED RESPONSIBILITY

The troubles have stemmed partly from divided responsibility. While the Agriculture Department keeps auditors probing in to its domestic donation schemes for wrongdoing, it had none overseas when donations began some 7 years ago. For the job, it tagged the ICA, a State Department agency with foreign aid missions around the world. But as one ICA official states of the auditing, "We did it on a 'when and if' basis."

As the program grew, the ICA complained and last year got four extra auditors on "loan" from the Agriculture Department. Finally the foreign aid agency rebelled and demanded a price for its work—\$1 million for the fiscal year starting next July 1. Says

Roger Stewart, ICA's man designated to work with the Agriculture Department:

"To a large extent, the operation has been one of trying 'to put out fires' as they occur. In many of our foreign posts, we have not been able to designate personnel * * * who would have the specific responsibility of riding herd on this program."

In newly free Ghana, Mr. Stewart explains, at least two voluntary aid groups were giving food to the same citizens—each unknown to the other. "It was because everything was so new," the ICA official maintains. "When the voluntary agency people began talking to each other, they cut it out."

In Algeria, the French army refused to permit a relief group to do its own distributing, apparently for fear food would "leak" to Algerian rebels. So this program had to be halted; a volunteer agency must maintain control of the food it's disposing, the Agriculture Department requires.

In Brazil, the government refused to let commodities enter duty free, a requirement if Uncle Sam has paid the ocean freight charges. Butter, cheese and dried milk were impounded at the ports and some spoiled.

Food donations through voluntary groups have reached formidable proportions. From the time the program really took hold 7 years ago through last December, it has put down on foreign shores 8.4 billion pounds of food worth \$1.4 billion.

From only 24 million pounds in fiscal 1953, shipments rose to 1.9 billion pounds in the 12 months ended last June 30. From then to last December 31, they amounted to 923 million pounds and show signs of approaching 2 billion pounds for the year that will end June 30.

To remedy defects in the donation program, some efforts are now underway. Howard Davis, deputy director of the Agriculture Department's Food Distribution Division, reveals the Agriculture Department and the ICA have already agreed on a "memorandum of understanding" that supposedly would give the ICA much more responsibility for planning and checking into the donation work—not just auditing.

Then, with \$1 million the Agriculture Department hopes to get from Congress and transfer to the ICA about 30 auditing trouble-shooters who would be employed to ferret out illegal practices.

May I say, parenthetically, as a member of the subcommittee on agricultural appropriations, it appears that ICA has ample funds to do its auditing without transfers from the Department of Agriculture.

Partial confirmation of the alarming article just referred to is a report that a considerable quantity of surplus nonfat dry milk from the CCC stockpiles—donated through a voluntary welfare group to the Republic of Ecuador for free distribution to the needy—was diverted to an Ecuadorian affiliate of an American firm. It was recombined with coconut oil and water to produce a "filled milk" sold in paper cartons under the American concern's label "Super Milk" at a price only slightly less than the high price charged for whole-cream milk produced in extremely limited quantity in Ecuador.

This scandalous practice was not ended by any positive policing on the part of our administrative agencies or the voluntary welfare group involved. It ceased only because the charitable donations of U.S. nonfat dry milk to Ecuador and other countries were cut off last fall, when the Commodity Credit

Corporation suddenly and without advance warning found its inventory of this dairy commodity to be exhausted. This regrettable situation prompted the magazine *Barron's National Business and Financial Weekly* to publish the following article on page 7 of its February 15, 1960, issue:

The U.N.'s Food and Agriculture Organization is worrying about the world supply of skim milk powder. For 5 years, this country sustained feeding programs in many parts of the world out of "surplus" stocks. Last year, the U.S. supply of dairy products dwindled, thus jeopardizing the welfare projects which have depended upon American donations. In 1958, U.S. surpluses supplied about 70 percent of the world's so-called exports. Naturally, such massive free shipments have kept low-cost milk producers from developing commercial markets. "Food for peace," the current euphemism for the dumping of farm surpluses, thus is threatening to end in a worldwide shortage for which no relief is in sight.

It is equally surprising to learn that 60 million pounds of surplus nonfat dry milk ordered by the White House last fall to be made urgently available under title II of Public Law 480 to the voluntary welfare groups for free distribution to needy persons in 69 countries overseas, were ordered by the International Cooperation Administration to be packaged in 4½-pound plastic bags labeled simply as "milk," rather than "nonfat dry milk." This raid on the Commodity Credit Corporation inventory prevented the Department of Agriculture from honoring legitimate commitments for nonfat dry milk for established and existing market development projects overseas under title I of Public Law 480.

My colleagues from Minnesota and the other major dairy producing States, and all of our citizens who are concerned over the health and welfare of our Armed Forces both at home and abroad, will join with me, I am sure, in expressing a real interest in the results of the investigation which the distinguished chairman of the House Armed Services Committee, the gentleman from Georgia [Mr. VINSON], has asked the Department of Defense to make. It involves charges of fraud in the sale of nonfat dry milk at the price of whole cream milk to Army, Navy, and Air Force bases, as reported in the following news item which appeared on page 7 of the April 20, 1960, issue of the *Dairy Record*:

DEFENSE ASKED TO PROBE MILK PROCUREMENT

WASHINGTON.—The Department of Defense has been asked to investigate charges of fraud in the sale of milk to Armed Forces camps by Representative CARL VINSON, Democrat of Georgia, chairman of the House Armed Services Committee.

The Georgia Department of Agriculture asked him to request the investigation.

Phil Campbell, Georgia agricultural commissioner, wrote Representative VINSON charging that powdered milk is being sold to the Army and Navy at the price of whole milk and that the butterfat content of other milk is below the specified level.

He urged an investigation of the entire milk procurement program by the Federal Government. Directly involved were three naval bases at Jacksonville, Fla., the Air Force station at Panama City, Fla., and the Army base at Fort Stewart, Ga.

480 is commendable, indeed. However, it fails to assure the Congress that no surplus nonfat dry milk produced in the United States will be sold or otherwise disposed of out of the Commodity Credit Corporation inventory with the assistance of the Secretary of Agriculture under any act other than Public Law 480 for use outside of the United States for manufacturing, blending, or compounding of filled milk or filled cheese, or have the effect of disrupting or displacing any usual marketings of, or any normal patterns of commercial trade in, any natural dairy commodity produced in the United States.

That this is a real and cogent problem, harboring the potential of grave harm to the dairy industry of the United States, is borne out by Mr. McLain's answer to my further question, put to him in the course of his testimony at the aforementioned Hearings on the Department of Agricultural Appropriations for 1961—part 3, hearing record, page 562—as follows:

Mr. MARSHALL. Aside from Public Law 480 is it not true that CCC can subsidize exports for nonfat for use in filled milk under its charter without reference to Public Law 480 or this could also be accomplished under other legislation?

(The information referred to follows:)

"This would be possible."

Not only would this be possible, as Mr. McLain's answer suggests, but it is a fact that since the reminder to the Department there were effected, with the assistance of the Secretary of Agriculture and under the aegis of the International Cooperation Administration pursuant to section 402 of the Mutual Security Act of 1944, shipments of surplus nonfat dry milk out of the Commodity Credit Corporation inventory to the Philippine Islands for use in the manufacture of filled evaporated milk.

Since then, and on February 1, 1960, the Department of Agriculture, Commodity Stabilization Service, Livestock and Dairy Division, issued announcement LD-33, entitled "Sales of Dairy Products for Export," and setting forth the ground rules on "how to submit competitive bids to buy butter, Cheddar cheese—cheese—and nonfat dry milk—milk—from Commodity Credit Corporation—CCC—for export." Pursuant to this bid procedure, sizable quantities of CCC nonfat dry milk have been purchased by, among others, the American concerns which operate filled milk plants in the Philippine Islands or have been the regular suppliers thereto, and by the American concerns which, in the past, were the regular suppliers of the nonfat dry milk requirements for the filled milk plants servicing the PX operations of the U.S. Air Force at Kindley Field, Bermuda.

To determine if such CCC nonfat dry milk, so sold pursuant to announcement LD-33, has been or is being thus utilized, I put the following further question to Mr. McLain during his testimony at the aforementioned hearings on the Department of Agriculture Appropriations for 1961 and received the following answer—part 3, hearing record, page 559:

MANUFACTURE OF FILLED MILK OUTSIDE THE UNITED STATES

Mr. MARSHALL. Is subsidized U.S. surplus nonfat dry milk being used anywhere outside of the United States in the manufacture of "filled milk," as defined in the U.S. Filled Milk Act of 1923 as amended?

Mr. McLAIN. We will consult with the Foreign Agriculture Service and furnish the answer.

(The information referred to follows:)

"It is not definitely known whether any of the nonfat dry milk sold recently by the CCC for unrestricted export is being used in the manufacture of filled milk. The Department believes, however, that some of the nonfat dry milk which has gone to Mexico and the Philippines has been used, in the first case in filled fluid milk, and, in the second case, in canned filled milk."

I respectfully suggest that the lack of definite knowledge of what disposition ultimately is being made of the current unrestricted exports of CCC nonfat dry milk, coupled with nothing more tangible than an unverified belief that CCC nonfat dry milk has been used in the manufacture of filled milk overseas, as the Foreign Agricultural Service answer to the question I put to Mr. McLain implies, is either a disgraceful admission of the inadequacy of the information being relayed to the Foreign Agricultural Service by its agricultural attachés stationed in recipient foreign countries, or a deliberate affront to the intelligence of the Congress.

Definite proof is readily obtainable substantiating the use or intended use of such CCC nonfat dry milk for the manufacture of filled milk in the Philippine Islands plants of the Darigold Milk Co., Paranaque, Rizal, Philippine Islands, an affiliate of Consolidated Dairy Products Co., Seattle, Wash., the marketing organization of United Dairy Farmers of the Pacific Northwest, and General Milk Co.—Philippines—Inc., Mandaluyong, Rizal, Philippine Islands, an affiliate of the Carnation Co., Los Angeles, Calif. There is no evidence of which I am aware of any intention on the part of either Borden's or United Dairy Equipment Co. to cease manufacturing filled milk from subsidized CCC nonfat dry milk at their plants in Bermuda for PX sale to the servicemen and attached civilian personnel of the U.S. Air Force at Kindley Field, Bermuda.

It obviously is necessary to conclude that the "reminder to the Department" contained in House Committee on Agriculture report No. 908 to accompany the Cooley bill—H.R. 8609—and the admonition to the Department contained in the colloquy I had with the gentleman from Texas [Mr. POAGE] have utterly failed to accomplish the purpose which my bill—H.R. 7146—was aimed at achieving—an objective with which both the Committee on Agriculture and the Committee of the Whole House were in full accord.

I, therefore, respectfully appeal to my colleagues in the Congress on behalf of the dairy farmers of the United States, who are the ones that will reap the bitter harvest of this folly, to assist in putting an immediate end to, first, this wholly unjustifiable and unwarranted frustration of the valid national policy

expressed in the constitutional and unrepealed Filled Milk Act of March 4, 1923, as amended; and, second, the incomprehensible continuing practice of the Department of Agriculture of ignoring the congressional intent expressed or implicit in Public Law 480, the Agricultural Act of 1949, as amended, the Commodity Credit Charter Act, the Mutual Security Act of 1954, and the like, pursuant to one or a combination of which, export subsidization of CCC nonfat dry milk for use in the manufacture of filled milk overseas has been and is being carried out with the assistance of the Secretary of Agriculture.

None of the public funds which are appropriated to the Department of Agriculture for fiscal year 1961, or thereafter ought to be utilized either directly or indirectly to subsidize the sale or other disposition of CCC nonfat dry milk for use outside the United States for the manufacturing, blending, or compounding of filled milk or filled cheese, or have the effect of disrupting or displacing any historically usual marketings of, or any historically normal patterns of commercial trade in, any natural dairy commodity produced in the United States.

(Mr. MARSHALL asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Utah [Mr. KING].

(Mr. KING of Utah asked and was given permission to revise and extend his remarks.)

Mr. KING of Utah. If the gentleman from Louisiana will yield, may I say that I have followed the work of the gentleman from Louisiana, and know the painstaking care which he has given to the problem of eliminating governmental waste in our mutual security program. I should like at this time to ask the gentleman to state for the record whether or not in his opinion the cuts which his subcommittee has proposed will endanger in any material way the security of this country, or whether they will retard the progress which this Nation has made in promoting the cause of democracy through extending legitimate aid to those who would benefit therefrom throughout the world.

Mr. PASSMAN. I may say to the gentleman that we are not cutting the funds. This military assistance recommendation is 23 percent more than the amount appropriated last year. This is the highest money request that has reached this floor in 6 years. We are increasing the military item by \$300 million.

I might state further that a majority of the subcommittee, a majority of the full committee, and the leaders on my side of the aisle are of the opinion that the funds are adequate.

I should like to thank the gentleman for his interest, and I want to assure him that I am grateful for the information he gave to me that made it possible to find certain waste in this bill that the committee has eliminated. I have nothing but commendation for the gentleman from Utah.

Mr. KING of Utah. I thank the gentleman.

Mr. Chairman, I want to make it clear that I support the principle of foreign aid. I have advocated it in civilian life, before coming to Congress, and I voted for it last year, as a Member of Congress. I shall vote for it this year. I shall continue to support it as long as I feel that it makes a legitimate contribution to the security of this Nation, to the containment of communism, and to the extension of democracy, and the advancement of human freedom and decency throughout the world.

I must make it equally clear, however, that any foreign aid program which I endorse must submit to the same rigorous tests of fiscal soundness, not only in its entirety, but in each particular thereof, as must any domestic program which elicits my support.

I have, in the past, voted for sewage disposal, airport construction, area redevelopment, reclamation, and many other worthwhile programs; but always I have insisted that all waste be first eliminated therefrom. To that end, I have not hesitated to vote for cuts where I felt that such cuts would effectuate justifiable economies. What I ask for domestic programs, I now ask for the proposed mutual security program.

I have read the record carefully, and am convinced that there are some aspects of this program that demand careful reexamination. When I hear of our sending the most advanced type of planes to a country who has no men to fly them, and no immediate prospects of obtaining them, when I hear of our sending tanks and other implements of death to a country whose government and all its equipment is threatened to be taken over by the very enemies against whom those armaments are intended as a protection, and when I hear of the vast and sometimes wasteful expenditures made in countries which admit openly that the very program which administers this largess is wasteful and inefficient, then I find it necessary to pause, to reevaluate our objectives and the means devised by which they may be attained.

The cuts of the subcommittee still leave our foreign aid budget larger than it was last year by over \$140 million. I believe that \$3,389,750,000, as recommended by the subcommittee, is enough.

I plead once again, as I have done before, to avoid waste, to consolidate duplicating programs, and to strengthen our domestic economy through following sound fiscal policies. It is only by so doing that we can fulfill our historic role as the strongest leader of a strong, free world.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. COLLIER].

(Mr. COLLIER asked and was given permission to revise and extend his remarks.)

[Mr. COLLIER addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, may I ask the chairman of the subcommittee a question?

On page 1126 of the hearings the gentleman from Louisiana asked a question, as follows:

I believe that earlier we requested information on the total cost of the 43,600 employees in the overall mutual security program.

That was a question directed to Mr. Murphy. Will the chairman of the subcommittee advise the committee today where these administrative costs appear in the bill? Do they run throughout the bill?

Mr. PASSMAN. They run throughout the bill. I may say to the gentleman that the figure now is approximately 44,000 employees in the mutual security program.

Mr. JONAS. The gentleman does not have it broken down?

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Virginia.

Mr. GARY. May I say to the gentleman if he will look at page 23 of the committee report, in the table on that page, he will see that there are general administrative expenses of \$38 million for ICA. In the State Department the administrative expenses are \$8 million. On page 2 of the bill \$23 million are allowed for administrative expenses for the military assistance program.

In addition, in the Development Loan Fund there is a limitation of \$1.8 million for administrative expenses. Then, in addition, the technical assistance program is practically all administrative expense, because it is to pay the expenses of the men in the field who are conducting these technical projects.

Mr. JONAS. If I may supplement my question, I was primarily interested in ascertaining how much administrative cost is attributable to military assistance.

Mr. PASSMAN. Twenty-three million dollars is for the administrative cost of the military assistance program in the bill before the committee.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. TABER. Mr. Chairman, I yield the balance of my time to the gentleman from Arizona [Mr. RHODES].

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Chairman, this is near the end of a long trail for this particular piece of legislation, at least as far as the House is concerned, because when we get a look at this bill again it will have passed the other body and will come back for approval of the conference report. Sixteen weeks of hearings have gone into the preparation of this bill.

Mr. Chairman, I would like to say at the outset that I regret the necessity of being in a position to differ with some of my very good friends on the other side of the aisle as far as the amounts which are to be appropriated for the various activities under this bill are concerned. By and large, this subcommittee works in

harmony, and I hope that it will always continue to be that way. I intend to address myself directly to the category of defense support.

The defense support figure recommended by the majority is \$600 million. This is down from \$724 million which was recommended by the President of the United States for this category. The great Committee on Foreign Affairs voted out a bill which was passed on the floor of the House and the other body and later became law providing for an authorization of \$675 million. Thus, the amount in this bill, \$600 million, is a cut of \$124 million below the budget request, or a cut of just under 20 percent. In fact, this program has been cut rather drastically during the last few years. In 1959 \$807 million was appropriated for this item.

In 1960 the figure for this program was \$765 million. In 1961 we have a figure of \$600 million. This is a reduction since 1959 of over 25 percent in this particular item.

What is it that we are reducing? What is defense support? I will answer this as clearly and as briefly as I can. Defense support is the program by which we keep certain nations which are allied with us in the business of defending themselves. Some of the beneficiary nations in this program are South Korea, Taiwan, South Viet Nam, Pakistan, Turkey and Greece. These are the small nations along the perimeter of the Soviet world who have had the courage—and I say this with all the emphasis at my command—the great courage to align themselves with the free world even though the Kremlin and Red China are looking right down their throats and pointing missiles at them every day.

This money goes to support their armed forces. It goes to support 600,000 troops on the island of Taiwan. It goes to support 600,000 troops in South Korea. It goes to support the army of some 280,000 in South Vietnam. It supports the armies of Turkey, Greece and Pakistan. This money is spent about as follows: The money is used to import products. Incidentally, well over 60 percent of those products will come from the United States. The purpose is to put those products into the economy of these countries. The products are mainly in the category of capital expenditures which will have a longtime beneficial impact on the economy of these nations. Through the building of their economy, we make possible the dawning of that day when they may be able to support themselves and their armed forces without our help.

These nations are asked to pay for those products in the only way they can pay, and that is in their own currency. The agreement which we have with these nations varies somewhat in form, but substantially it is something like this. Whenever a unit is sold to the government of, or to a business within that country—Country A—Country A sets aside, or receives from the purchaser to set aside, the price of the product in the currency of Country A. That currency may be spent in accordance with the agreement between the United States and Country A. We do not own the

money. We do not have a veto power over the way it is spent. Therefore, we retain just enough of a string on it to make sure that the original cost to the United States, which bought this machine tool, is used in a way which will represent a long-term beneficial effect. That, of course, is the only reason in the first place we would have spent the money.

Mainly these local currencies are used to support and maintain the armed forces budgets of these countries. With the military assistance program we buy the hardware, the sinews of war with which these armies, navies and air forces must be armed. With the defense support program we, wherever it is necessary, support the budgets of these particular nations so that they will be able thereby to support armed forces which they could not possibly support with their own resources.

So this very briefly is defense support.

Now, is it necessary? Is it a good investment for the American taxpayer to keep these nations in the field and to keep them on our side; to keep their armed forces at their present level?

Take the case of Red China, a nation which certainly since its inception has shown all the predatory tendencies of a young lion cub. This is a nation which has marched into Korea, which has by indirection, perhaps, marched into southeast Asia, and has shown signs of marching wherever it can probe a soft spot around the perimeter of the globe.

This is a nation which is growing in industry. Its industrial output is up some 300 percent in the last 5-year plan. It now is in about the same economic position, or it will be in 1965, as Soviet Russia was on the day World War II began. So this is a threat which no one dare take lightly. This then is a nation which is growing and which shows signs of spreading out wherever it can, by any means available.

What is the deterrent? The deterrent consists of 600,000 Chinese Nationalists and the 600,000 South Koreans on the flank of this nation, ready to strike if need be to defend that portion of the free world which is in southeast Asia. The other deterrent is the armed forces of the nations of southeast Asia, trained, armed, and ready to defend their liberties whenever required. These are the forces which are supported in that part of the world by defense support.

Then going over to the Middle East, also on the perimeter of the Iron Curtain, we find the nations of Turkey and Greece. No one needs to recount the valor of the Greeks during World War II. No one needs to recount the valor of the Turks who fought by our side in South Korea. No one I am sure will doubt for one single instance that if trouble begins those two brave little nations will be on the side of the free world.

We have heard the gentleman from Michigan [Mr. Ford] very eloquently plead for an increase in military assistance. This military assistance is necessary for modernization of the armies of Greece and Turkey and the other armies around the perimeter as well as those of Western Europe. If trouble came, and

we had not modernized the forces of our allies, they would then be faced with some of the crack divisions of the Iron Curtain countries, and they would face them in the condition of having been armed and trained with weapons which are of the Korean war vintage.

It is absolutely necessary not only to keep faith with those people but also to keep faith with the taxpayers of the United States, who have thus far very nobly advanced this cause, that we make absolutely certain that if trouble begins these gallant allies of ours will be able to meet the threat with the very best weapons, the very best equipment, with which they can be provided. To do less would be to fail in the ultimate objective we seek—the deterrent capability to prevent war, and the ability to win one if it comes.

Do we provide all this? No, we certainly do not. The gentleman from Michigan has already related the fact that the military budgets of these nations have gone up very considerably. Since military assistance has begun, those nations have spent \$6 of their own money for every dollar which we spend.

To me, this program, as far as its justification is concerned, is very much like any other program in this particular section of the Government known as mutual security. I have never had the reputation of being a person to give away money, and I do not certainly intend to stand before you and try to change my spots. If this program and all of these programs cannot meet the test of being good for the taxpayers of the United States, then you and I, as Members of this body, should not pass these bills. The fact that the program has met this test is borne out by the fact that not only this body but the other body has passed the authorization bills under which we now appropriate funds. Therefore, the House has already answered the question as to whether or not most of this is good for the taxpayers.

We have heard gentlemen from the other side speak about certain cases involving transactions by the ICA which I call horror cases because they are horrible cases. There is no doubt whatsoever in my mind that many of them would be difficult to justify if, indeed, they can be justified at all. But I submit to every Member of this body, that where you have a program which is spending from \$3 to \$4 billion a year, and I do not care whether that program is a global program or whether it is centered here in the District of Columbia, you will find cases in which the money has not been spent well and you will find cases in which there was rank stupidity, and you will find cases that you and I, as Members of the Congress, will not be very proud to mention.

I do not have any doubt but that there are instances in this program very similar to that. In fact, I know of a few which have not been mentioned by gentlemen from the other side. But the minority report, Mr. Chairman, provides for a cut in the request of the President. The military assistance program, if you accept the amendment of

the gentleman from New York, will still be 10 percent below the request of the President of the United States. If you take the figure on defense support of \$650 million, under the amendment which will be offered by the gentleman from Michigan, you will still have a cut of \$74 million, which is a 10-percent cut of the budget request of the President of the United States.

I submit to anybody, and I do not think it can be proved to be false, that for every \$10 that is spent on this program, at least \$9 of it is well spent. If we are going to cut out the waste based upon a percentage figure, I submit to you that the amendments which will be offered by the minority do just exactly that.

Mrs. BLITCH. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentlewoman from Georgia.

Mrs. BLITCH. As the gentleman knows, the gentlewoman from Georgia has a great respect for his opinion. I have always enjoyed listening to the remarks of the gentleman in debate on the floor of the House on various issues. Is the gentlewoman from Georgia incorrect in her recollection that the gentleman voted against the authorization bill?

Mr. RHODES of Arizona. No; the gentlewoman is not incorrect in that assumption. The gentleman from Arizona did vote against the authorization bill, but he did so because he felt the program, as it was set forth in the authorization, called for more money than was necessary. The money which is provided in the appropriation bill is, in my opinion, too little, so I am doing the best I can to get it to a program that I can support.

Mrs. BLITCH. Then the gentleman from Arizona did not vote against the authorization bill because he was against the program?

Mr. RHODES of Arizona. There are certain parts of the program, I will say to the gentlewoman from Georgia, to which I have not referred. I have kept my remarks, as the gentlewoman will recall, to the two categories, military assistance and defense support. I will continue to do so.

Mrs. BLITCH. I thank the gentleman. Will he yield further?

Mr. RHODES of Arizona. I cannot yield further, Mr. Chairman, although I have the highest respect for the gentlewoman from Georgia, as she well knows.

The gentleman, and the very distinguished gentleman, I might say, from Louisiana—

Mr. PASSMAN. I did not understand what you said.

Mr. RHODES of Arizona. I am saying that the distinguished gentleman from Louisiana, the distinguished chairman of this subcommittee, who is my very good friend, in the committee and also on the floor, made a remark about an item of \$325 million of excess stocks. I have searched the record and tried to find where there are \$325 million of excess military stocks.

On page 2362 of the record I find about the only reference to excess stocks

that appears anywhere in the index. Here the chairman is questioning Mr. Forman.

The following colloquy took place:

Mr. PASSMAN. How do we reconcile that figure with the information furnished on page 45, where you state it will be \$77,219,000?

Mr. FORMAN. That figure \$77,219,000 is a composite figure. The word "excess" as used there is a misnomer. It consists of both excess stocks and redistributable property. The excess is \$40,044,000 and there is \$24,919,000 of redistributable property making a total of \$64,963,000. In addition, as previously reported to the committee, the sum of \$12,256,000 carried on the book as excess for one country was erroneous.

If there is anything further in regard to excess or redistributable property I would now ask the chairman to point it out.

Mr. PASSMAN. You just do not know how happy you have made the gentleman from Louisiana.

Mr. RHODES of Arizona. I am always glad to make the gentleman from Louisiana happy.

Mr. PASSMAN. It was the distinguished gentleman who is now in the well of the House who assisted the chairman in establishing these figures. I merely refer the gentleman to the hearings now available, to the testimony from Norway, Belgium, Denmark, the Netherlands; and that amounts to \$314 million, properly documented, and the gentleman helped document that.

In addition to that, Mr. Campbell brought to us a few other facts indicating over \$100 million in one country.

Now, the gentleman helped conduct these hearings. I wish he would go over and read his own interrogation, and if he does not find that I have given the right figures he can then supply them.

Mr. RHODES of Arizona. I asked the chairman to go to the record and pick out the place in the record where there is anything about \$314 million.

Mr. PASSMAN. The gentleman can pick it out for himself. I stated my figures. They are correct, \$314 million. Let the gentleman pick them out.

Mr. RHODES of Arizona. That figure is not in the testimony, and the gentleman from Louisiana knows it is not in the testimony.

Mr. PASSMAN. And I want to say that the gentleman from Arizona knows it is in the testimony.

Mr. RHODES of Arizona. Mr. Chairman, I do not yield further.

I do want to make one point clear. The Chairman has also made some remarks concerning certain people thanking him for cutting this appropriation. He quoted from the record a sentence from General Norstad, but failed to read another following sentence bearing on the subject. I am sure it was because the gentleman did not see it. His motives are of the highest, I know.

Mr. PASSMAN made this statement:

If we had given you the money you asked for, you would have used it in this program. You would have bought something whether you needed it or not, and it would have been, today, in excess.

Then he read General Norstad's reply:

If you had given us, every year, everything we asked for, the total at the present time would indicate some overages that we now make, that is correct.

Then there was another sentence in General Norstad's statement which the chairman did not read:

Every year we must program in the light of the deficiencies which have been created by the failure to appropriate the year before as we are doing this year in Turkey.

The second sentence, if read, changes the context of the general's statement, and makes it say, as the general meant to say, that the cut in appropriations has hurt the program.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield.

Mr. PASSMAN. What I said is in the hearings. If the gentleman wishes to take the time he can find it himself. He helped develop the facts. I have made my statement and I stand on every statement that I have made on the floor.

Mr. RHODES of Arizona. I do not yield further on that point. I merely am trying to help the chairman correct his own myopia as far as the Norstad statement is concerned, if he desires to do so.

Mr. PASSMAN. The gentleman will agree. If he will not agree that the figures I gave—

Mr. RHODES of Arizona. Mr. Chairman, I do not yield further on that particular point. I think maybe the chairman and I took different trips because some of the things which he says occurred I do not recognize and I do not remember.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Iowa.

Mr. GROSS. Is there anything in this bill for what is known as the China Development Corp.?

Mr. RHODES of Arizona. I cannot tell the gentleman. Perhaps the chairman can enlighten him.

Mr. GROSS. And what is the China Development Corp.?

Mr. PASSMAN. If the gentleman will do a little research on that he will have the answer.

Mr. RHODES of Arizona. The chairman declines to give an answer to the gentleman from Iowa.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Iowa.

Mr. KYL. If the recommendations of the minority in this report are accepted by the House, how much less, then, would the appropriation be below that requested in the budget?

Mr. RHODES of Arizona. If the recommendations of the minority are accepted, the bill will be increased by \$250 million. It will be then a total of approximately \$3.65 billion, which is some \$400 million below the authorization and about \$500-million-plus, below the budget request.

Mr. KYL. On page 14 of the report the statement in regard to the Develop-

ment Loan Fund is to the effect the funds returned paid back do not go to the Treasury. Can the gentleman tell me what becomes of those funds?

Mr. RHODES of Arizona. The funds of the Development Loan Corporation?

Mr. KYL. Yes.

Mr. RHODES of Arizona. The gentleman's understanding is correct, the money which is paid back from loans of the Development Loan Fund is paid in currencies of the country involved. The currency stays in the Fund and is reloaned. It would take legislation to bring any of this money back to the Treasury.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. PASSMAN. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from Virginia [Mr. GARY].

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Illinois.

Mr. YATES. I voted in the committee for amendments to restore funds to the military assistance and the defense support program. I intend to do so again. However, time ran out in the committee before I had an opportunity to offer amendments to strike sections 107 and 109 of the bill which prohibit the use of funds for the Indus River Basin development and for the special assistance program for tropical Africa. In committee I reserved on those sections of the bill and I intend to offer amendments to strike those sections at the appropriate time.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. Mr. Chairman, I believe that both sides of the aisle must unite in a real effort to restore the damaging cuts in the appropriation for the mutual security program.

We must act responsibly and maturely if we are to deserve the place we all so nobly refer to here on the House floor, that is, the leadership of the free world.

We cannot sit idly by and hope the Senate will restore these cuts. It is our responsibility to display a recognition of our international position and with it the attendant obligations that our position requires.

To do less and allow these cuts to remain is an irresponsibility that we can no longer afford.

Of equal, if not greater importance, is the rigid restrictions that are contained in this bill. A careful analysis of the rigidity contained in these restrictions leads one to the conclusion that there is no desire on the part of its proponents to see the program survive.

I do hope that the defects in this bill will be recognized and that when the amendments are submitted that we will vote to restore responsibility into this bill. We should act with a consciousness of our obligation to the less fortunate nations in this world who are lacking in every national resource except a great desire for freedom. We should act with

a consciousness that this program is in our national interest.

Many charges and statements have been leveled against this program by the opponents and others who are merely seeking answers to questions. I have listened to the debates today and have heard some of them repeated. Certain charges left unanswered are used by the opponents to abandon the entire program.

I thought perhaps these charges should be answered in order to bring about a better comprehension for everyone concerned.

Accordingly, I am submitting a report prepared by the executive branch which documents with explanations those charges and statements which have appeared in one form or another during the past months including those that have appeared in the committee report and in today's debate. I do hope that it will in some way contribute to a better understanding. I hope that a better understanding will provide the enlightenment necessary to restore the damaging cuts in our mutual security program. To do less is to demonstrate an unworthiness of leadership in the fight for freedom and survival.

The report follows:

EXECUTIVE BRANCH COMMENTS ON CERTAIN STATEMENTS CONCERNING THE ADMINISTRATION OF THE MUTUAL SECURITY PROGRAM

MILITARY EQUIPMENT DELIVERED WITHOUT ASSURANCE OF PROPER USE

Statement

It has been charged the military equipment continues to be programed, procured, and delivered to recipient countries without adequate regard for the degree of utilization achieved in those countries.

Charge

Absolute safeguards have not been established nor is it practicable to do so. However, a concerted effort is being made to help insure that equipment is properly used. Significant in this regard are the following factors:

(a) All bilateral agreements contain a provision authorizing U.S. representatives to observe the progress of assistance furnished. DOD Directive 5132.3 assigns MAAGs the responsibility for observing and reporting on the utilization of MAP furnished equipment.

(b) MAAG field visits include the purpose of viewing end-item utilization, frequently as a corollary duty while on other official MAP business. The MAAGs report evidence of improper use of equipment to the host country. Followup visits are made by MAAG personnel, as appropriate, to determine whether corrective action has been taken. Unsatisfactory situations are reported to the unified command.

(c) In countries whose indigenous military reports afford the information, they are used by the MAAGs to determine the effectiveness of end-item utilization, particularly in the more advanced countries. Spot checks are made during MAAG field visits to assist in establishing the validity of such indigenous reports. Improved logistic and maintenance systems, training methods, and reporting procedures are producing dependable reporting.

MILITARY EQUIPMENT DELIVERED TO ABANDONED UNITS

Statement

The charge has been made that military assistance has been delivered to force units (divisions, aircraft squadrons, etc.) which

have subsequently been deleted from MAP supported force goals and the equipment is now excess.

Comment

By no means all of the allied forces which are strategically important to the United States are supported by military assistance. In addition to strategic considerations, the decision as to which forces are to be eligible for MAP assistance must take into account the country's capability to maintain them without U.S. aid and the relative military importance (priority) of the unit in relation to the limited MAP resources available. These decisions are reexamined regularly and revised in the light of changing conditions. As a result, many units which were once assisted have been deleted from current MAP supported force goals.

Simply because the United States has made a decision not to support a certain unit in the future, it does not follow that the existence of the unit is no longer in the U.S. strategic interest, nor does it follow that the equipment previously programed for that unit is no longer needed and is now excess. For example, it has been some years since we have programed any military assistance for conventional ground, naval, or air forces in the United Kingdom. It would be patent nonsense to suggest, however, that it is no longer in the U.S. strategic interest to have the British Government maintain military forces and that we should, therefore, now take back the materiel which was used to help the British equip these forces in the early days of NATO.

On the other hand, a rapidly advancing technology and changes in the world situation do result in equipment becoming excess to the needs of forces previously supported by the MAP. In these cases, the equipment is offered back to the United States by the recipient countries. MAP supplied items having an acquisition value of approximately \$1.2 billion have been offered back to the United States. Of this \$1.2 billion, over \$450 million worth have been transferred to other countries to meet MAP requirements. It was used by the original recipient, served its purpose and is now meeting a MAP requirement for at least the second time since it was delivered originally.

JET PLANES WITHOUT PILOTS

Statement

During congressional testimony, a news release was cited which asserted that the United States gave 421 jet planes to an unidentified Far Eastern ally whose air force had only 186 qualified jet pilots.

Comment

As of June 1, 1960, the number of jet-qualified pilots exceeded the number of jet aircraft delivered to this country. It is true that at time referred to in the news release, January 1958, the number of pilots qualified in one particular type of jet aircraft was not equal to the number of aircraft. However, the total pilot inventory was 488. A short training period qualified these pilots for this type aircraft, thus equalizing the situation. Aircraft production and pilot training both have long lead time requirements. The pilot training output for this one type of aircraft slipped due to stringent emphasis placed on other factors in the training program. A review of the training program has corrected this situation and appropriate steps have been taken to balance all aspects of the aircraft and pilot program.

TANKS WITHOUT DRIVERS

Statement

The statement has been made that 255 tanks were programed for five tank battalions in one country having actual strengths of only six people. Notwithstanding the ample supply of tanks avail-

able, an additional 125 tanks were programed to be used for training purposes.

Comment

1. The program action in question involved a total of 300 tanks and not 380 tanks.

2. All tanks programed for this country are valid requirements for NATO divisions and supporting units required on D-Day or a few days thereafter. The tanks provided were limited to unit equipment, i.e., minimum tanks required in the unit at all times. War reserve tanks were not programed for these units nor were tanks programed for the reserve units of this country.

3. Normally tanks are not provided for training purposes if available in war reserve or in reserve divisions. Since this was not the case in this country, 125 tanks were programed to meet a valid requirement for tanks in training centers and schools. All but a few of these tanks were for the armored training school. To have withdrawn any tanks from the first line NATO units would have reduced their D-Day capability below minimum acceptable levels. Furthermore, equipment used at training centers soon becomes valueless as combat equipment because of continual use in training inexperienced personnel.

The manning levels quoted by the Comptroller General predate the programing of the tanks in question. There are now 12 tank battalions in the country concerned, seven of which are being supported by the military assistance program. Five of the battalions are 65 percent to 75 percent manned. The manning levels for all seven MAP supported battalions have been and are being increased as tanks are delivered to the units. The military officials of the country concerned did not care to expand manpower and other resources for tank battalions until they were assured that tanks were available to the unit.

PAYMENTS FOR AIRCRAFT KNOW-HOW

Statement

It has been stated that through the military assistance program the United States agreed to assist Italy in building F-86 fighter planes. Included in this project was a \$750,000 payment to North American Aviation Co. for rights and know-how pertaining to this airplane. Actually, the U.S. Government acquired rights to the plane when it was developed.

Comment

This project was initiated when the United States and Italian Governments decided to support production of the F-86 in Italy by Fiat. North American Aviation, Inc., developer of the plane, entered into agreement with the Italian Government and Fiat to provide to them, information, data, drawings, plans, specifications, and related material pertaining to the F-86. The agreement also stipulated that North American would furnish for a period of 5 years, assistance and cooperation in the manufacture or development of Fiat of these F-86-type planes. This agreement was not just a license for relieving the Italian Government or Fiat of claim of patent infringement. It was a commercial agreement with Italy and Fiat to furnish the experience and know-how North American had taken years to accumulate. In short, North American aided in the establishment of a competitor.

Even in those cases where the U.S. Government may transfer patent and reproduction rights to a second source, the establishment of a second source often requires more than a mere transfer of these rights. Generally, the active assistance of the first source is necessary to implement timely production of satisfactory equipment. Consequently, as in this case, the first source has basis for charging for specialized assistance furnished to other sources.

RAISING OF MAAG RECOMMENDATIONS

Statement

Programs recommended by the MAAG's are increased by the unified commands and by the Department of Defense in order to spend more money, giving the countries things they don't need and don't want.

Comment

This statement is basically incorrect. The dollar ceilings imposed on unified commands for planning purposes produce much smaller proposals than in the days when they made submissions for all militarily desirable and feasible projects eligible for grant aid.

The occasional instances in which MAAG recommendations are raised relate to projects the importance of which must be determined on a unified command-wide basis. For example, an early warning radar site might be of relatively low priority to the country in which it is situated but, when related to a network across a number of countries, it could be of the highest priority. The unified command judgments sometimes cannot be made until MAAG proposals for individual countries are seen and matched.

Increases in tentative MAAG proposals are made by the unified commands and by the Department of Defense only to meet such requirements and only with the concurrence of the MAAG concerned.

WE CONTINUE TO GIVE MILITARY AID EVEN THOUGH PAST EQUIPMENT IS STILL USABLE

Statement

MAAG Chiefs have stated that up to 95 percent of the billions of dollars worth of equipment previously furnished continues available and usable yet we continue to provide increasing amounts of aid.

Comment

To say that most of the equipment already furnished is still available and usable does not say that everything necessary to meet the military threat has been furnished.

The fiscal year 1961 request includes (in million dollars):

To replace wornout and obsolete equipment on hand (far less than 5 percent of that already supplied).....	210
Conventional types of equipment needed all along but not supplied previously.....	157
Advanced type weapons needed to modernize forces.....	651
Plus: Repair parts, petroleum, oils, and lubricants and other supplies.....	405
Military construction, supply operations, training, multilaterally cost-shared programs such as NATO infrastructure and mutual weapons development.....	577
Total.....	2,000

AIDED COUNTRIES SELL OUR MILITARY AID AND KEEP THE PROCEEDS

Statement

The MAP has supplied more equipment than the recipient countries can use. The countries now are being told to sell this equipment and keep the proceeds in order that more equipment can be provided.

Comment

MAP-supplied items having an acquisition value of approximately \$1.2 billion have been offered back to the United States by the recipient countries. These materials were determined by the country to be needed no longer in support of MAP objectives.

1. Of this \$1.2 billion, over \$450 million worth has been transferred to other countries to meet MAP requirements. It was used by the original recipient, served its purpose, and is now meeting a MAP requirement for at least the second time since it was delivered originally.

2. Approximately \$266 million worth was taken back by U.S. authorities. In most cases, the materiel was sold, and the receipts from the sales deposited in miscellaneous receipts of the Treasury. Some was taken by the U.S. Military Departments for use.

3. About \$340 million worth was released to the country for disposal. This materiel consisted primarily of items having only scrap value. The net proceeds from all sales approximated \$6 million. The countries were allowed to keep the proceeds with the understanding that they would be used to further the countries' defense effort. These releases were made when it was determined that it would cost the United States more to more to recover and sell the materials than could be realized from their sale. Appropriate safeguards were imposed to insure demilitarization of equipment and prohibit transfers to Soviet bloc countries.

4. Equipment having an acquisition value of about \$3 million was released to the holding country for uses other than support of MAP objectives. These cases are rare and each case has resulted from a determination that such action was in the best interests of the United States.

5. The remaining \$136 million represents materiel as to which the United States has not yet taken final action.

In summary: For a substantial part of the equipment involved, at least double usage is achieved. The United States has sold and made deposits to the Treasury where the sale value was greater than the cost to the United States of recovery and sale. Where recovery and sale has been uneconomical to the United States, the recipient countries have been authorized to sell and use proceeds to further their own defense funds.

MAN APPROPRIATION LEVELS

Statement

The MAP is increasing substantially. For fiscal year 1960 there was appropriated \$1.3 billion and now for fiscal year 1961 there is requested \$2 billion or an increase of \$700 million.

Comment

Seven years ago, on June 30, 1953, the military assistance program had available unexpended balances of almost \$8.5 billion. For the five fiscal years fiscal year 1955 to fiscal year 1959, inclusive, the average annual expenditure on the military assistance program was \$2.36 billion. This rate of expenditure was made despite an average annual grant of only \$1.37 billion in new obligational authority (appropriations). The remainder, an average annually of \$1 billion came each year from unexpended balances of the earlier appropriations. The forecast of expenditure during the current fiscal year (fiscal year 1960) is \$1.83 billion, although the appropriation for fiscal year 1961 was only \$1.3 billion. By June 30, 1960, the level of unexpended balances will have shrunk below \$2.1 billion.

It is obvious under these circumstances that the MAP cannot be continued at anything like the present level without an increase in appropriations to replenish the greatly shrunken pipeline.

It is only when obligational authority is granted by the Congress that the executive department is able to place orders enabling suppliers to go ahead with production and, in due time, delivery. In view of the ever-increasing complexity of weapons, which tends to lengthen the production leadtime, and also in view of our desire to encourage cost-sharing arrangements with our allies, which usually involve lengthy negotiations, it is necessary to have a carryover of unexpended obligational authority amounting to the size of the program for 15 months. This means that to deliver and expend \$2 billion

in a given fiscal year we need to carry forward an unexpended balance of \$2.5 billion at the end of the preceding fiscal year, in addition to the new appropriational authority of that year's bill.

Actually, the annual expenditure rate of the MAP, far from increasing, is radically decreasing. The expenditure rate for fiscal year 1961 is planned at \$1.79 billion. This is \$557 million less than the rate of the last 5 years.

COSTS OF NATO MAINTENANCE SUPPLY SERVICES AGENCY

Statement

The fiscal year 1961 request for \$25 million for the NATO Maintenance Supply Services Agency is in conflict with last year's Defense testimony that no further funding requirements were foreseen.

Comment

Defense testimony in fiscal year 1960 was predicated on the limitation of the Agency's activities to the support of 5 selected aircraft and 15 Army vehicle weapons systems.

The range of the Agency's management activities has since increased to include the support of rockets and missiles (Nike-H.J.), the support of electronic communication systems (forward scatter-early warning radar) and the establishment of common stockage and repair facilities (NATO Supply Center). The Agency's revenue-producing activities such as consolidated procurement are only now coming into fuller play.

Additional funding requirements in fiscal year 1961 are attributable primarily to the establishment of the NATO Supply Center and the requirement for its initial stockage. This stock will be maintained and replenished by the Agency and the United States will retain its equity in the assets.

WEAPONS PRODUCTION PROGRAM

Statement

The weapons production program is another means of giving away our money to countries which are economically able to finance themselves.

Comment

The weapons production program is a means of getting countries who are able to finance themselves to do so. It is a reduction of 90 percent as compared to giving these countries the end-item of materiel. By furnishing technical assistance a source is established wherein the countries can use their local currencies, and will no longer have need to ask the United States for the item.

There are benefits to U.S. industry because the producer nations will procure from the United States a considerable portion of the total weapon system, as bits and pieces for a period of approximately 2 to 3 years, after which time they are able to produce the total weapon system.

This appears to be one of the cheapest ways to accomplish modernization of the allied forces with the constantly changing weapons technology.

THE MUTUAL WEAPONS DEVELOPMENT PROGRAM

Statement

The mutual weapons development program (MWDP) is a waste of money. Our allies are not paying their share and the program has largely been unproductive.

Comment

The purpose of the MWDP is to increase the defensive capability of the NATO alliance through U.S. assistance to selected research and development projects for weapons of advanced design and which lend themselves to coordinated European production cost sharing agreements.

MWDP aid is provided in accordance with a bilateral agreement with the participating country which specifies the responsibilities

of the participants as well as the costs to be borne by each.

As of fiscal year 1959 NATO participants in this program have obligated \$199 million for it. The U.S. contribution has been \$195 million or 98 percent of the total. As new projects are diverted toward NATO multi-lateral financing, the U.S. share of the MWDP cost should fall substantially below 50 percent.

The current program includes approximately 200 active projects. The fields of military research and development covered include air defense, combat air support, land combat and antisubmarine warfare. More than 60 new weapons or components of military equipment have reached the production or field testing stage, and have been offered by the countries of origin to other countries through NATO.

Data exchange agreements are a new activity under MWDP. These agreements permit project directors from the United States and the NATO country concerned to communicate directly with each other regarding specified technical matters of mutual interest.

This program of participating in and thus having access to European research and development, provides important benefits to the United States by allowing us to draw upon the technical skills and scientific talents of some of the best minds in other free world countries.

INSTITUTE ON ICA DEVELOPMENT PROGRAMING

Statement

The House Appropriations Committee majority report is sharply critical of the high costs of the contract between ICA and the Johns Hopkins Institute.

Comment

The contract between ICA and the Johns Hopkins University School of Advanced International Studies calls for a highly specialized course in graduate-level economic development training. Such training is provided to carefully selected ICA personnel whose performance has demonstrated their capacity to assume higher levels of responsibility. The purpose of the training is to improve the caliber of economic program development, particularly in the underdeveloped areas where planning and programing techniques applicable to more highly developed areas are less pertinent. The course was developed to meet ICA's specific requirements; there was no comparable regular course in any institution of higher education.

The committee's basic criticism is that the cost of approximately \$4,000 per student is excessive for a 5-month course. During the hearings before the subcommittee, this figure was adversely compared with normal university tuition charges.

The critics overlook a most salient fact of university financing: tuition charges represent only a fraction of the real costs of instruction. Endowment, contributions and public funds for public supported institutions generally carry the major share of the cost. A university cannot undertake a special course on request and charge less than actual cost, since this would be an improper diversion of endowment. In this case the cost per student of the ICA course compares favorably with the real costs of instruction in the school of advanced international studies for its regular program. The estimated costs for their regular program average more than \$4,600 per student for a comparable period, although the tuition charged is only \$1,200.

Actual costs: In fact, earlier estimates for the first 2 years were based on budgeted maximum figures, with reimbursement to be only for actual costs. These are now recorded at a lower figure which yields an actual per trainee cost of \$3,743 to date rather than \$4,000.

Future costs: In part as a result of consideration of the concern expressed by the

House Appropriations Subcommittee, ICA has decided to enlarge future classes to reduce costs per student. Based on planned average enrollment of 24 for the 2 classes to be held in the coming year, contract costs per student will be reduced by 12½ percent.

Comparison with costs of similar intensive, executive-level training: The House Appropriations Subcommittee was advised (pages 985, 986, and 1015 of the hearings) that:

1. Private business firms pay \$950 per man-month to the American Management Association for its specialized training which is comparable to this programing course. The fee to Government agencies charged by AMA is \$350 per man-month.

2. Brookings Institution fees are \$860 per man-month for similar courses. These charges of \$250 and \$360 to Government agencies and the \$950 charge willingly paid by American businesses compare with the figure of \$700 which is the planned future level for ICA personnel at Johns Hopkins.

GOVERNMENT AFFAIRS INSTITUTE

Statement

The House Appropriations Committee majority report sharply criticizes as excessively costly the contract between ICA and the Governmental Affairs Institute under which this nonprofit organization provides technical advice to the Government of Iran. During the hearings, the charge was repeatedly made that the individual technicians were receiving salaries far higher than their previous earnings—allegedly, \$90,000 per technician over the run of the contract.

Comment

The criticism is erroneous as to cost and does not take into account the high quality and successful performance of a difficult, important job. Specifically:

1. The average base salary of the high level technicians provided is about \$12,930 a year, about that of a GS-15 in the Federal service. The total average dollar cost per man-year including salaries, transportation, all other direct costs for technicians, out-of-pocket expenses and contractor overhead will run about \$26,290.

2. These costs are in line with those incurred by private businesses and foundations in conducting overseas operations at this professional level. These are the costs of getting results.

And finally, the criticism ignores the major contribution which this project has made toward the modernization of the Government of Iran in its effort to fulfill the needs of its people and its national interest. High Iranian officials, including the Shah and the Prime Minister, have placed priority on receiving continued assistance of this nature, and the Government of Iran has officially requested the extension of this contract.

Salary Comparisons

In view of comments on the high salaries provided under the Government Affairs Institute contract the following table is provided to demonstrate the reasonableness of actions taken:

Name	Highest prior annual salary	Initial base pay on contract
Harwood, Wilson F.....	\$14,000	\$16,000
Hemphill, T. Marl.....	9,635	10,850
Massen, John B.....	11,140	11,750
MacNealy, Charles E.....	13,370	14,500
Loring, Karl H.....	14,000	12,700
Woodruff, Richard V.....	12,500	13,125
Harberson, Cecil R.....	10,958	11,479
Cox, Thomas H.....	12,000	13,000
Deas, Harold M.....	14,520	15,000
Skowronski, Frank S.....	8,600	9,000
Georgion, Mabel.....	7,427	7,800
Carlson, Janice G.....	4,300	4,515
Gracey, Harry F.....	16,000	15,000
Myers, M. Scott.....	12,750	12,750
Banning, Paul D.....	12,400	15,000
Halse, Clifford O.....	11,610	12,200

OVEREMPHASIS ON COSTLY PROJECTS

A congressional study group visited 14 countries and criticized ICA projects in 5 of these countries. The study group report came in for subsequent attention in another committee, in which the three following specific charges were raised again:

Charge

1. A "gigantic" fertilizer plant in Korea is not operating and is not expected to be in full operation in the next few years.

2. A highway project in Vietnam is ending up costing several times the amount originally estimated. The total cost may exceed \$100 million.

3. A radio project in Vietnam is in a state of confusion and ICA could not find a radio tower it had financed.

Comment

1. Satisfactory test runs have been completed subsequent to the visit of the study group, and the plant is now expected to be in sustained full-capacity operation during this year (1960).

2. The scope of the project has changed since its beginning in 1954, other roads being added to the original plan. Security conditions in Vietnam in 1954 were such that urgent action was required and exact peacetime engineering practices were not followed.

3. ICA has acknowledged that progress has not been satisfactory. Primary reason for delay was the lack of full agreement with Vietnam as to emphasis to be given to short versus longer range broadcasting. The "missing" tower was in a warehouse pending installation. A planned seventh tower in the Saigon area has now been constructed and is in use.

Urea Fertilizer Plant in Korea

This project provides for the construction of a fertilizer plant designed to produce 85,000 metric tons of urea annually, approximately 25-30 percent of Korea's import requirements for nitrogenous fertilizer.

1. Report comment

The study mission's report states that this plant is not operating and is not expected to be in full operation in the next few years.

ICA comment

Delays have been encountered in the implementation of this project. The plant is now physically completed in terms of construction, and test runs of individual units have been successful. Liquid ammonia already has been produced. Moreover, initial test runs during February and March of this year in one of the three reactors produced urea at a rate of 65 metric tons per day as against a designed capacity of 85 metric tons daily. ICA expects this plant to be in sustained full-capacity production within calendar year 1960.

2. Report comment

The study mission states "It is apparent that the processes in ammonia and urea production sections require water for cooling certain machines and steam for heating other machines, as well as driving of rotating equipment for pumping and compressing. All these requirements must be furnished from the power and water plant. Therefore, the process equipment or sections cannot be started or tested until the power-plant production is producing steam and pumping water.

"The fertilizer plant requires 14,500 kilowatts of electric power which must be supplied from the powerplant since the fertilizer plant is not connected to any electric supply system and would be a serious drain on such a system if it were so connected, in view of the shortage of electric power presently existing in Korea."

ICA comment

An adequate intake water system has been included as an integral part of the plant. Three 7,500-kilowatt generators have been

provided to generate a total of 22,500 kilowatts, which will fully meet the requirements for power. Thus, there is no drain on Korea's overall power requirements. An adequate supply of the steam is provided by the thermal powerplant.

3. Report comment

The study mission states that "A project of this size should not be initiated in less-developed countries where technical know-how is limited."

ICA comment

When the decision was made to construct a urea fertilizer plant to meet one-third of Korea's nitrogenous fertilizer requirements, it was recognized that provision would have to be made for training Korean personnel to operate the plant. An important factor in building this plant was that locally produced fertilizer would supplant imports of the finished product, thereby effecting substantial and continuing savings of foreign exchange.

Under a separate contract, the American construction contractor is also to furnish up to 66 technical personnel to operate the fertilizer plant during the initial period and to train Korean personnel to the required degree of proficiency so as to insure successful and efficient operation of the plant. Over 50 of these technicians are now in Korea.

At the time of initiation of this project, it was considered that a project of this type would permit the greatest economic benefit to Korea for the least cost to the United States.

Vietnam—Highways and Bridges

Criticism

What has happened to the modest \$18.3 million Vietnam highway project? The total cost of the project now is estimated to be \$84 million and may exceed \$100 million. (Appeared in numerous newspapers in March 1960.)

Comment

The figure of \$18.3 million applies to the original scope of this project. Subsequent to the initial development of the project, other roads were added to the program, which increased the costs. However, the costs for the work initially contemplated have exceeded the original estimates for reasons indicated below.

The present estimate of the total costs of the enlarged project are:

	Million
Fiscal year 1959 and prior years.....	\$48.4
Fiscal year 1960.....	13.4
Fiscal year 1961 (estimated).....	6.9
Future years (ending fiscal year 1963), estimated.....	4.0
Total.....	72.7

Normally, detailed engineering plans would be available before a construction contract is entered into. At the time the highway rehabilitation program was undertaken, normal security conditions did not prevail in Vietnam. In 1956 it was still far from certain that free Vietnam would survive, and it was politically important that the United States demonstrate its confidence in the country's future by commencing visible work as rapidly as possible in the improvement of highway transport. In this context, the delay that would have resulted from completing the engineering work before calling for bids for construction was considered incompatible with the greater U.S. political and military interest. Consequently, the construction contract was awarded before engineering drawings and specifications were completed. It should be noted that this type of procedure has been precluded by law since July 1, 1958.

The cost estimates available at the time the contract was let were based on an admittedly brief reconnaissance survey made

by the Capital Engineering Corp., the main purpose of which was to determine quickly the general status of all existing highways and bridges in Vietnam and to prepare a priority list of required improvements.

Therefore, the increases in cost estimates reflect: (1) Subsequent development of detailed information and engineering data; (2) price increases on equipment and materials; and (3) increased quantities of materials required, due to extension of the system originally proposed.

Vietnam—Radio Towers

Criticism

The project to assist the Government of Vietnam to develop a national radio network has been unjustifiably delayed and is in a state of confusion. (Appeared in several newspapers during March 1960.)

Comment

This project has not progressed satisfactorily. The underlying difficulty has been the lack of clear and firm agreement between the Vietnamese authorities and the American representatives concerning the relative emphasis to be given to short-wave and to medium-wave radio broadcasting and concerning the exact types of equipment required. Another problem has been ICA's past inability to provide adequate American technical supervision of the project.

There is now basic agreement between Vietnamese and American representatives concerning the relationship between short and medium-wave broadcasting facilities. Since the arrival in April 1960 of an outstandingly qualified American radio expert, Mr. Frank H. McIntosh, this project has been progressing satisfactorily.

The radio broadcasting projects contemplated erection of 24 towers, financed from both dollars and local currency. Seven have been erected in Saigon, and four in other locations. The balance have not been erected. Determinations as to use and location are now being worked out by Mr. McIntosh in collaboration with the Vietnamese Government.

PROGRAM IMPACT

A congressional study mission criticized ICA program impact in the two following respects:

I. Statement

Ultimate failure is inherent in the program unless we can somehow develop plans and operations that will reach down to the people themselves of each country.

Comment

1. We should not underrate the degree to which we have reached the people; witness the overwhelming popular reception of the President on his trip through Asia, a reception obviously not contrived, but rather warmed by widespread knowledge of our purposes and of our acts.

2. Project operations are reaching the people on many fronts—and generally in the most effective and lasting way which is through the creation, improvement, or expansion of institutions to be directed by local personnel and to be sustained as soon as possible by local resources.

II. Statement

Grandiose dams and multi-million-dollar plants might bring ultimate benefits, but there is danger in concentrating at the top level, from which no benefits would dribble down to the people within their lifetime.

Comment

1. The great majority of ICA projects are aimed at institutions which directly provide services to major population segments in education, agriculture, health, rural life, labor, and so forth.

2. Large capital facilities, including dams, fertilizer plants, powerplants, and roads are also required for balanced development and do provide a measurable and reasonably

early benefit to the people generally. Although such capital projects are now generally financed by DLF, there are a considerable number of such projects which were financed under earlier ICA programs which are already providing or will shortly provide a direct benefit to many people.

Impact of ICA Programs

I. A few out of hundreds of available examples of program operations which have reached the people follow:

(a) Thirty-two new national agricultural extension services established with ICA assistance, with a broad and broadening farm population being reached.

(b) Over 200,000 copies of U.S. industrial technical and reference books made available for use of many times that number of engineers, technicians, and entrepreneurs abroad.

(c) Some 18,000 rural youth clubs (adapted from the 4-H plan), with over 900,000 boys and girls enrolled, are operating pursuant to ICA guidance and help.

(d) Land tenure systems improved and put into action with ICA help in many nations—for example, on Taiwan, the great majority of farmers now own their land, about 600,000 farm families have acquired title to their own land for the first time under an ICA-assisted program.

(e) Twenty-two American land-grant colleges or universities are helping 18 countries interested in adapting the American land-grant college concept of research, education, and service to the farm population.

(f) Thousands of new teachers—elementary, secondary, and vocational—are trained each year in schools established or expanded with ICA assistance, and more thousands given inservice training—for example, in Ethiopia, the fewer than 500 qualified teachers of 1953 have grown to more than 4,000, and the teacher training output has increased from 18 a year to 500.

(g) More than 400 million people live in areas in which protection against malaria has begun to be effective under the ICA program. The number of people protected and the degree of protection is increasing constantly.

(h) Training for hundreds of doctors, nurses, and sanitarians each year is made possible by ICA assistance.

(i) Community development workers trained and supported with ICA assistance are reaching millions of people and helping them organize to help themselves—one example of many being the 25,000 schools constructed in India through local voluntary self-help programs.

(j) ICA programs in labor have and are reaching thousands of workers through programs of labor education.

(k) More than 50,000 participants have received ICA financed training in the United States, each participant returning to his homeland to bring to many others the benefits of his observations and study.

II. A few examples which demonstrate that major projects can and do yield wide benefits within a few years follow:

(a) The Pak-American Fertilizer Factory in Pakistan began production in 1958 and operated at near capacity throughout 1959, producing fertilizer needed by farmers to expand production in this food-short country, with an important saving in scarce foreign exchange. This was the first heavy chemical process undertaking of its kind in Pakistan, but the not unexpected difficulties have been overcome successfully.

(b) The major urea fertilizer plants in Korea and Taiwan will be in full operation this year, each producing a significant share of the fertilizer needs of the farmers of the two nations.

(c) The Shen Ao Power Plant in Taiwan, begun in June 1957, was placed in operation at its rated capacity of 75,000 kilowatts in January of 1960, within 2 weeks of schedule.

This needed power will contribute to the growth of small industry and employment in Taiwan.

(d) Large and small irrigation projects have been completed to increase fertility or make new land available for settlement of landless people. Examples include: Cambodia—112,000 acres watered or reclaimed; Israel—irrigated area tripled in decade; Philippines—over 365,000 acres capable of supplying food for 3,500,000 people, rehabilitated by 3 ICA projects.

(e) Extensive assistance to the highway development of Turkey was a significant factor in a remarkable upsurge in Turkish production. Internal travel and transport of goods was achieved at reduced costs. Vehicles increased fourfold (incidentally engendering expansion of manufacturing in other countries including the United States). Following table illustrates results:

	1948	1956
All-weather roads (miles)-----	5,260	11,800
Paved roads (miles)-----	580	2,100
Number motor vehicles-----	20,231	81,382
Annual ton-miles-----	230,000,000	1,505,000,000
Annual passenger-miles-----	752,000,000	7,280,000,000
Freight cost per ton-mile (cents)-----	15.1	5.6

The beginnings of a similar pattern of upsurges in traffic and a downward drop in rates is already evident in Vietnam under the much more recent highway program in that country.

OREGON STATE COLLEGE CONTRACT

Statements during congressional committee proceedings were made to the effect that: (a) Oregon State College performance in Thailand did not produce results, (b) the ICA mission recommended termination of the contract, and (c) that ICA headquarters overruled its field mission for questionable reasons.

The facts are: 1. Oregon State College has done a creditable job in assisting the Kasetsart University in Thailand to become a first-rate school of agriculture with an increased, American-trained faculty, revised curriculum, well-equipped laboratories, and a reputation which is attracting quality students. The beneficial impact of this project—to the United States and to Thailand—will be felt for generations.

2. The ICA mission, for reasons which were partially administrative, recommended that the Oregon State College contract be allowed to expire in April 1960. The ICA headquarters suggested, and the mission agreed, that a team of two agricultural experts review the progress under the contract and recommend the course of future action. ICA plans to review this matter objectively when this report is received.

Further comment: 3. As an illustration of the "high cost" of ICA university contracts, this example (which is the only one the committee examined in detailed, orderly fashion) disproves the case. The cost of study of Thai professors at Oregon and the cost of sending Oregon professors to Thailand were both moderate (average of about \$3,000 and \$17,000, respectively) and in line with going rates, salaries and costs at American universities. The overhead payment to Oregon State College, covering a pro rata share of college administrative costs, averaged just over \$500 a month. These overhead costs, which were spoken of as if they were profit, are valid costs, handled in generally accepted accounting procedures and subject to U.S. audit.

4. The stress in the proceedings on the "overruling" of the mission, in addition to being overstated, represents a strange view of the role of a headquarters, which would be derelict if it did not exercise its responsibilities of review and decision.

WASTE IN KOREA

The Acting President of Korea has been quoted during congressional hearings as having said that there was waste and mismanagement of the U.S. assistance program for Korea in excess of \$200 million.

First, this was a misquotation. The Acting President did in fact state that there had been waste and mismanagement in the program. The newspaper story, not quoting, added that the program had been at a level of \$200 million.

There is evidence of manipulation of ICA-financed imports into Korea to produce political benefit to certain Koreans. This is mismanagement in the sense that democratic and impartial standards of conduct were not always applied by Koreans. There is no evidence or allegation of American connivance in such transactions.

Knowing of such mismanagement, why was assistance continued? The answer lies in a review of the alternatives, of the likely results of termination of aid. American blood and money has kept Korea alive—on a hostile frontier—and withdrawal would result in certain collapse. Constant efforts were made to improve on an unfortunate situation and some successes such as a more favorable exchange rate were scored. An "either-or" approach would not have worked, since the United States holds no nation as a satellite. Constructive steps on these matters are being accelerated in cooperation with the present Government of Korea.

BOLIVIA

A Senate Government Operations Committee report directed attention to a number of program and administrative weaknesses of the ICA program in Bolivia. These problems have been critically commented on in other congressional hearings.

The Senate report was properly critical of certain aspects of the Bolivia program. This report acknowledged, as other congressional critics have not, that the program was initiated after a violent revolution, in chaotic circumstances and in an area in which difficult operations are more difficult because of altitude and climatic conditions.

The Senate report made four recommendations all of which are being carried out.

Pertinent to this matter also is the following excerpt from the February 2, 1960, report by Senator GEORGE D. AIKEN:

"Although hindsight may reveal how the aid program could have been carried on more

effectively, it also reveals no alternative to that program except utter chaos."

ADVANCE COMMITMENTS

Statement

The DLF has made commitments to borrowing countries in advance of approval of specific projects and then projects were developed to carry out the commitments. This is improper since the executive branch had made representations that advance commitments would not be made. The effect of the advance commitments has been to tie up substantial funds which could be used for loans, while Congress has been asked for the appropriation of additional funds.

Comment

The Congress has imposed no prohibition on advance commitments, nor has the executive branch in fact stated to the Congress that it would never make commitments prior to the approval of specific projects or programs. Executive branch witnesses have testified that the DLF would not make advance annual allocations of assistance, that is, it would not parcel out assistance to countries on an annual basis. The latter has, in fact, been avoided.

On the limited occasions when commitments were made in advance of approving specific projects or programs, special and compelling circumstances led to the employment of this technique. In each case where an advance commitment has been made, the DLF acted in accordance with the foreign policy guidance of the Secretary of State which is provided for in section 205 of the Mutual Security Act of 1954, as amended. In most cases, the DLF had on hand applications from the countries involved, in excess of the amount committed. All of the commitments were made subject to the approval of specific projects or programs. In addition, no funds have been disbursed under the commitments until the DLF approved sound activities for financing. All such cases have been reported in full to the Congress. No advance commitments have been made since December 1958.

With respect to the charge that substantial funds have been tied up by the use of this technique, the table below shows when the DLF appeared before Congress to request additional funds, the amounts outstanding against advance commitments were small, both in relation to the additional funds requested and to the total of specific loan approvals at the time.

Relationship of advance commitments to additional requests for funds

Dates	Appropriations requested for subsequent periods	Charges against available funds	
		For advance commitments or earmarkings	For specific projects or programs
As of June 30, 1958-----	\$625,000,000	\$39,300,000	\$228,084,000
As of Feb. 26, 1959-----	225,000,000	46,250,000	637,556,000
As of June 30, 1959-----	700,000,000	23,450,000	812,103,000
As of May 19, 1960-----	700,000,000	18,150,000	1,184,406,000

USE OF LOAN REPAYMENTS IN A REVOLVING FUND

Statement

The repayments on loans made by the DLF go directly to augment the DLF's capitalization and the U.S. Treasury does not receive the benefit from these repayments. "For the first time" it is "revealed" that it has become a revolving fund since part of its resources are not subject to Congressional appropriation.

Comment

There is nothing new about the "revolving fund" nature of the DLF's capital. Nor was it ever conceded to be now "revealed." It was clearly provided for in the initial legis-

lation which authorized the establishment of the Fund. It was also discussed in executive branch presentations to the Congress. Section 204(a) of the Mutual Security Act of 1954, as amended in 1957 states:

"SEC. 204. FISCAL PROVISIONS.—(a) All receipts from activities or transactions under this title shall be credited to the Fund, and, notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law relating to the use of foreign currencies or other receipts accruing to the United States, shall be available for use for purposes of this title."

This was spelled out in the section-by-section analysis of the 1957 authorizing bill prepared by the executive branch which

stated that section 204(a) establishes the revolving character of the Fund by providing that all receipts under title II shall be credited to the Fund and be available for use for purposes of that title.

In addition, the Report of the House Foreign Affairs Committee, July 9, 1957, stated the following in reporting out the bill which included provisions for the establishment of DLF:

"It is contemplated that the Fund will operate on a revolving basis with the payments of interest and principal on loans being reloaned as they become available. Repayment of loans in foreign currencies will be accepted when necessary to meet the requirements of the program. Such currencies could be reloaned; or might be sold for dollars to U.S. Government agencies needing such currencies, thus providing dollars for use by the Fund."

Over 20 percent of DLF loans are repayable in dollars. When the interest on these loans and the dollar repayments are received, they are credited to an account in the U.S. Treasury for use by the DLF in the manner of a revolving fund. This is the way the Export-Import Bank and other Federal lending agencies have functioned over the years. When dollar returns to the DLF revolving fund become sizable, they can be taken into account in considering requests for additional appropriations.

Repayments in local currency similarly are deposited in the Treasury account and are available for relending as the need for such currencies arise. Usually this need is for local currency loans in the country making repayment; however, some sales are made by the Treasury to other agencies of the U.S. Government. The dollars derived from these sales are added to the capitalization of the DLF.

ARE DLF LOANS "PHONY"?

Statement

DLF loans are really disguised grants. They are "as phony as a \$3 bill."

Comment

Each of the 135 loans approved thus far by the Development Loan Fund has been soundly conceived and transacted.

Through individually tailored loan agreements each borrower undertakes a solemn obligation to repay and agrees to follow specific practices designed to insure the efficient use of funds. The loans must be repaid according to a predetermined fixed interest rate and amortization schedule. Each loan is the culmination of an intensive economic and technical review. None of the loans is in default and over 20 percent are repayable in dollars.

In establishing the Development Loan Fund the Congress supported the position of the executive branch that loans have distinct advantages as a method of providing needed capital to the less developed countries. Because they impose an obligation to repay, they establish a businesslike relationship between lender and borrower. Regular payments require the borrower to pursue efficient economic and financial practices and otherwise to discipline the management of his operations.

Moreover, DLF loan agreements impose a continuing burden and requirement on the borrower separate and apart from the need to repay. Borrowers are required, for example, to retain consulting engineers, to report regularly on financial and technical progress, to secure managerial assistance where necessary and to establish and maintain businesslike records.

A substantial portion of DLF loans have been made directly to private enterprises for manufacturing plants of various kinds, or to independent, government-owned instrumentalities, such as railroads, power systems or port authorities which must live on their own

revenues. The burden of repayment on such borrowers is the same whether they are required to repay in local currency or in dollars. Their earnings are in the currency of the country in which they are located. If required to pay in dollars, they can obtain them only through purchase with local currency earnings. Consequently, neither of these two types of borrower is affected by the currency of repayment.

As for governments which have the power to issue currency, they recognize increasingly that it would be adverse to their own interests to flout the precepts of sound financial and monetary policy in making repayment. There is no evidence that such precepts are being ignored. In addition, the DLF requires on all loans repayable in local currencies that payments be at a constant value in relation to the dollar.

EMPLOYMENT GENERATED BY MSP

The current mutual security program appropriation request of approximately \$4.1 billion would generate direct and indirect employment in the United States of from 500,000 to 530,000 full-time persons for the year.

Direct and indirect employment created in the United States in 1957 by the 1957 foreign aid expenditures was estimated at 530,000 people by the NPA. The foreign aid program for 1957, as defined by the NPA, totaled \$4,226 million of which about \$4 billion was for mutual security grants and credits. Technical staff responsible for the National Planning Association (NPA) study in 1957 believe that employment created per dollar of foreign aid funds remains the same as in 1957 when the intensive NPA study was conducted.

The above estimates consider that procurement in the United States in fiscal year 1961 will be higher than in 1957 for the military assistance program and will recover toward 1957 levels for the ICA program. The trend of MSP procurement in the United States is as follows:

	Percentage procurement in United States		
	Fiscal years 1949-59	Fiscal year 1958	Fiscal year 1959
Military equipment and supplies.....	85.7	89.1	93.0
ICA commodities.....	67.0	51.7	47.4
Total ¹	76.4	75.4	77.6

¹ Excludes DLF and other MSP expenditures such as shipping which are used in the employment estimates and which, if included, would bring the percentage up further.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I still do not know to what the gentleman from Arizona is referring. At page 507 of the hearings I said:

If we had given you the money you asked for, you would have used it in this program. You would have bought something whether you needed it or not, and it would have been, today, in excess.

General Norstad stated:

Only if we needed it.

Then General O'Meara came in and broke into General Norstad's reply. General Norstad continued and said:

If you had given us every year everything we asked for, the total at the present time would indicate some overages that we now make; that is correct.

That is the way I had it on the card, and that is the way I read it. Is that the point the gentleman was making?

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. The point I was making was that the chairman did not read the whole quotation. He did not read the second sentence.

Mr. PASSMAN. It was not necessary. I read General Norstad's reply, not General O'Meara's.

Mr. RHODES of Arizona. The second sentence was by General Norstad.

Mr. PASSMAN. Here is what I read:

If you had given us, every year, everything we asked for, the total at the present time would indicate some overages that we now make; that is correct.

Mr. RHODES of Arizona. Very well. If the gentleman will yield further, I will read again. The entire answer is as follows:

If you had given us, every year, everything we asked for, the total at the present time would indicate some overages that we now make; that is correct.

Then the second sentence reads:

Every year we must program in the light of the deficiencies which have been created by the failure to appropriate the year before as we are doing this year in Turkey.

Now, the chairman says this indicated that General Norstad agreed that by cutting the appropriation he had made this a better program. I submit that if he had read the second sentence he would have known that the general meant nothing of the kind.

Mr. PASSMAN. That second sentence does not relate to the question, and the distinguished and able attorney knows that to be a fact.

(Mr. BROWN of Missouri asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BROWN of Missouri. Mr. Chairman, 4 years ago when I came to the Congress, I was an admirer of the Marshall plan and a staunch advocate of the principle of mutual security.

I have never been a selfish short-sighted isolationist. I know that peace and progress depend on the willingness of America to help bolster the economies of the uncommitted nations, to maintain strong alliances with free peoples, and to create new and better programs of good works all over the world.

I am a firm believer in the United Nations, in the many great international lending institutions that have been created by America's leadership, in the peoples-to-peoples exchange programs, and other fine programs for peace among nations.

I recognize fully that the country needs a well-planned long-range international program for economic development and mutual security.

But for 3 years I have voted a protest vote against the half-baked facsimile that comes to us each session about this time under the title of a mutual security program, because I want to quit piddling around with this U.S. Government to

patchwork improvisations poorly administered and come up with a good program commensurate with the needs of our times.

I have spent many hours reading pro and con testimony about mutual security or so-called foreign aid. Those who say the idea of aid to lesser nations is foolish waste are wrong and are being dangerously shortsighted, in my opinion.

But, conversely, those who say that the present program as it is now being handled is essential to peace are also wrong. For these day-to-day improvisations by the ICA create about as many problems as they solve.

For example, 4 years ago, when I asked a distinguished Assistant Secretary of State to give me a post-Korea success story for mutual security, he pointed with pride to Iraq; said the Iraqi army was a strong new ally for freedom, right on the perimeter of Russia.

It is now a matter of history that our efforts in Iraq were the opposite of a success story. We armed an immature nation that was not ready for such arms, created a Frankenstein monster in an explosive area. The total end result is yet to be calculated; but few would predict that it will be good for the United States or the world.

And Iraq is not the only example. In instance after instance, we have furnished arms to prop up unpopular rulers, making enemies of the electorates.

Yet the administration is asking for \$2 billion more military aid for the next fiscal year; and their requests are bolstered by respected military leaders who insist that such funds are essential as a part of America's own defenses. Well, my question is: If some items in this bill are so essential for America's own defenses, why are they not included in the regular defense appropriation request? Why not include the NATO appropriation needs in the Pentagon's budget where it belongs?

If the truth were known, some of the Pentagon budgeteers have a nice little bookkeeping gimmick going for them in mutual security.

They dump some of their obsolete military equipment to foreign aid recipients, and are compensated for it out of the mutual security budget.

It all may come out to the same end result, but why must anyone kid anybody about what is going on. Let us separate military appropriations from bonafide assistance to lesser nations.

Also, let us formulate a long-range, well-managed development loan and technical cooperation program. Senator FULBRIGHT says it must be set up on a 5- to 10-year basis. I agree. We should strive to prevent trouble rather than wait until trouble is fomented and then try to bribe our way out.

But with due respect to the men in the State Department and the ICA, I have many misgivings about the ability of the present administration to handle even \$550 million worth of development loans efficiently. Until I see better evidence of long-range planning and better management, I hate to vote another \$550 million to be misused.

In short, the Nation needs a good long-range mutual security program, encompassing, first, food for peace; second, development loans; third, more interchange of peoples; fourth, technical cooperation; and fifth, a big-scale health program for undeveloped countries.

Military assistance should be included in regular defense appropriations.

Any bill that comes close to such a program administered by dedicated people who plan their work and work their plan will get my vote. But this bill is just like the three others that I have voted against. It is not a program. It is not even a reasonable facsimile. And I intend to vote against it in the hope that my protest will prompt someone to take some kind of action toward getting a good forward-looking mutual security program commensurate with the mounting dangers and gaping needs of our time.

(Mr. WALLHAUSER (at the request of Mr. CURTIN) was given permission to extend his remarks at this point in the RECORD.)

Mr. WALLHAUSER. Mr. Chairman, today the Members of this body face a most important decision in their consideration of the mutual security appropriations bill as reported by the committee.

Reduced to simple terms the question before us is:

Do we, through cutting the appropriations requested by the President, want to pull the rug out from under a program of military and economic assistance to needy nations that has been a key in our resistance and blockade of Communist attempts to dominate and enslave the entire globe?

The answer, I believe, should be "No."

But this, in my opinion, is precisely what will occur if we pass legislation providing for the cuts recommended by the committee.

I am convinced that the mutual security program, over a long period of time, has proved itself as a bulwark against communism and its tyrannical leaders.

In casting our votes on this bill, we must face the fact that the defense of the United States, and the rest of the free world, depends in large measure on the mutual security program—both in its military and economic aspects. To approve reductions in the amounts recommended by the President for carrying out the program, in my judgment, will jeopardize and weaken the security of our own Nation and the defense of the entire free world.

That there has been waste and inefficiency in certain areas of the mutual security program seems to be reasonably well established, and it is to this failure that knowledgeable officials are directing their efforts. I suggest that it is more constructive to direct our efforts toward the correction and improvement of the management of the complex program, rather than the reduction of valuable items.

It must be realized, by Members of Congress and the people as a whole, that the mutual security program has become a permanent and important part of our foreign and defense policies. I will always support steps for a constant review

and reappraisal of the program, on a solid basis, so that the funds of our taxpayers are not misspent, but I believe that the overall result of the program is, and has been worth the time, money, and effort we have put into it.

Unless and until communism ceases to be a threat to our national security, and the rest of the free world, I do not believe it just to arbitrarily condemn the program, or the amount that is required to administer it, because of the relatively few human failures that accompany its administration.

Mr. GARY. Mr. Chairman, I do not believe that any Member of this House would attempt to contradict the fact that I am a friend of the foreign aid program. I have been a supporter of the program since its beginning. I well remember 12 years ago, in 1948, to be exact, when I sat here on the floor and the chairman of the full committee called me over and said, "VAUGHN, I am planning to appoint a special committee to handle the foreign aid program and I would like for you to take the chairmanship of that committee." I told him that I already had the chairmanship at that time of the Treasury and Post Office Subcommittee, but if he wanted me to I would try to handle them both. I accepted the chairmanship of the committee and remained its chairman for 6 years, and I have been on the committee ever since. Therefore, I have been a member of the committee during the entire length of the program.

Mr. Chairman, I have consistently voted for the program, but I do not know of a single year during that entire time that we have not cut the President's request for funds. I consider foreign aid a very vital part of the national defense of the United States. I believe that we have got to help our allies. We have got to help them with their military programs, and they also need some economic help in the maintenance of the necessary forces to aid in the defense of the free world. But, I cannot bring myself to believe that it is necessary to spend all of the money that we have been requested to appropriate.

I had the privilege in 1952 of visiting Europe with the then so-called Richards committee. That was a committee composed of representatives of the Committee on Foreign Affairs of the House, representatives of the Committee on Armed Services, and representatives of the Committee on Appropriations. We were sent over there for the purpose of conferring with then General Eisenhower, who was at that time the supreme allied commander in Europe, with reference to this program. I well remember that the General then urged us "Gentlemen," he said, "whatever you do, do not cut the program this year." Some of our members on the committee called his attention to the fact that the program was becoming a drain on the resources of America and that the American people were getting tired of it and they wanted to know when there could be an end to the program. General Eisenhower said:

Now, gentlemen, I believe that the Europeans should defend Europe.

And that—

The Asiatics should defend Asia, but at the present time they are not in a position to defend themselves, and, therefore, we must help them. But we will soon begin to turn the program over to them. After we provide them with military equipment, we will begin gradually to phase out the program and leave their defense to them.

We pressed him for a limit of time. I must confess, he did not set a definite time; but he said, "Probably we can begin to phase out by 1954." We have been phasing out of this program for the last 3 or 4 years. But what happens this year? Now we start up again. Confidently, expecting that we would be able to reduce the program each year and finally phase it out, we are now faced in the request for this year with a very substantial increase over last year.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman.

Mr. JUDD. I was privileged to be on that same Richards committee on its visit to Western Europe.

Mr. GARY. I remember that the gentleman was. He attended the conference to which I refer, and no doubt remembers the general's remarks.

Mr. JUDD. The gentleman has been correct in reporting what was said. The gentleman will recall that that was at the end of May or the first part of June 1951.

Mr. GARY. I thought it was 1952. I know it was in June.

Mr. JUDD. I am sure it was in June of 1951. The general did not come home until a year later to run for President in 1952, so it must have been 1951. At that time the situation in Europe was improving and there was promise that the war in Korea was going to quiet down. The Communists were offering a truce. Instead of a real change, they merely withdrew for a time their pressure in Europe where they could not make headway, in order to increase their pressure in the Far East, then South Asia, and then the Middle East. So as far as Europe is concerned, as the gentleman has stated, we were able to taper off our aid. But explosions continued around the world, and now we have them in the Western Hemisphere and in Africa, too. So I do not imagine that either the general or we could have been expected to foresee that.

Mr. GARY. Mr. Chairman, I cannot yield further at this time. I will say to the gentleman that every year there have been explosions. And yet, every year we have reduced the requests for this program. In 1956 we reduced the overall program \$584 million. We were told that would wreck the program. What happened? At the end of that year, they finished with an unobligated balance—I am not now talking about unexpended funds—they ended with unobligated funds of \$33,900,000 in the military assistance program alone. The next year, fiscal year 1957, we cut the request \$1,064 million. What happened that year? They ended with a surplus, with unobligated funds, of \$195,500,000 in the military assistance program.

We cut it again for the fiscal year 1958 \$565,650,000. What happened that year? They ended with unobligated military assistance funds of \$538,800,000.

In 1959 we cut it \$652 million. What happened then? They ended that year with a similar surplus of \$15,453,000.

Last year we cut the request \$1,204 million. We were told then that we had absolutely wrecked the program. And yet they estimate that they will finish this year with a surplus of \$35 million. The cuts which I have mentioned relate to the entire program while the surpluses relate only to the military assistance phase of the program. The total surpluses were much larger.

Let me say this further. The Comptroller General, appearing before our committee last year, made the statement unqualifiedly that he thought we had given the program too much money, not too little. This year I asked him if he was of the same opinion and he stated unequivocally that he was. He thought by giving them less money they would spend it more carefully, we would have less waste, we would have more economical and better planned programs and get better results than if we just give them money to throw away.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to my chairman.

Mr. PASSMAN. Mr. Chairman, I want to assure my distinguished friend the gentleman from Arizona [Mr. RHODES], of whom I am very fond, that I think he is a very able Member and very fair, but he had reason to be confused, because we have 517 pages of testimony covering five nations. We did not put the testimony in the RECORD because so much of it was classified, and they did not have an opportunity to review the transcript.

I assure the gentleman that if he will go through the hearings, and if he does not find in these hearings, and also with regard to the one country referred to in this secret letter, that there is over \$300 million excess equipment in these five countries, I will support the amendment to be offered by the gentleman from New York.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Iowa.

Mr. GROSS. Do I correctly understand that we are presently giving Japan some \$100 million in the form of military assistance and technical aid?

Mr. GARY. The amounts given to individual countries are classified. I personally would not like to give away any classified information.

Mr. GROSS. One further question, if the gentleman will indulge me: In reading these hearings, I find the terms "less-developed countries" and "underdeveloped countries" used interchangeably. Is there any difference between a less-developed country and an underdeveloped country?

Mr. GARY. So far as I know, none. What is an underdeveloped country just depends upon the thinking of some bureaucrat downtown.

Mr. GROSS. That is what I thought.

Mr. GARY. Mr. Chairman, in the minority report filed with this body is the following sentence:

This is no time to "kowtow" to Khrushchev or be soft on communism.

I resent that statement. I do not know whom they are aiming at. I do know it is not I. But there is certainly an insinuation that it is aimed at those of us who favor this bill. I have never kowtowed to Khrushchev and I never intend to. I was not in favor of extending Khrushchev an invitation to visit this country, and I think when we did we increased his prestige tremendously throughout the world. I think it was a tremendous mistake. I purposely timed my departure from this city so that I would not be here when he arrived.

I was not in favor of President Eisenhower's proposed visit to Russia. I was not in favor of the summit conference because I do not believe that you can deal with people without principle, and certainly the Soviet hierarchy have shown that they have absolutely no principles whatever. We have made agreements with them time and time again, and what has been the result? We have merely tied our own hands because we try to live up to our agreements. They have never lived up to a single agreement we have made with them. They have violated every single agreement they have ever made with this country. How are you going to deal with people of that kind? If you should work out an agreement with them, it would be absolutely worthless because they would not respect it.

We thought just prior to World War II that we might be able to do business with Hitler. We found out we could not. Neither can we do business with Khrushchev.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Illinois.

Mr. YATES. Let me say to the gentleman that I agree with him in regard to the statement inserted in the minority views. I do not think the fact that the program was cut means that any of those who voted for it are soft on communism or favor Khrushchev. If Members are to be criticized as being soft on communism because they voted to cut appropriations, I think the gentlemen on that side might well look at some of the Members of their own administration.

Mr. GARY. When a person lacks arguments to support his position he frequently begins to call names. I think that is the situation in this minority report. They lack arguments to support their position. Therefore, they throw in these statements about kowtowing to Khrushchev or being soft on communism. It does not frighten me one bit because I am certain no one would ever accuse me, of either kowtowing to Khrushchev or being soft on communism. But I do not like it. In fact, it is unworthy of the gentlemen who signed the report, for each of whom I have the very highest regard.

I am convinced, Mr. Chairman, that we have appropriated every dollar of the funds that are necessary for this program. If I may paraphrase the language of a great statesman of the past: "Let us appropriate billions for defense, if necessary, but not one penny for waste."

The CHAIRMAN. The time of the gentleman from Virginia has expired. All time for general debate has expired.

The Clerk will read.

The Clerk read as follows:

MILITARY ASSISTANCE

For expenses as authorized by section 103 (a) of the Mutual Security Act of 1954, as amended, necessary to enable the President to carry out the purposes of chapter I of such Act (including administrative expenses as authorized by section 103 (b) of such Act, which shall not exceed \$23,000,000 for the current fiscal year, and purchase for replacement only of passenger motor vehicles for use outside the United States), \$1,600,000,000.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 2, line 15, strike out "\$1,600,000,000" and insert in lieu thereof "\$1,800,000,000."

Mr. PASSMAN. Mr. Chairman, I assume a number of Members will want to speak for and against the amendment, therefore, I move that the Committee do now arise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12619) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes, had come to no resolution thereon.

WILL PEIPING SOON JOIN NUCLEAR CLUB?

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet tomorrow at 11 o'clock a.m. to continue the consideration of the mutual security bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

INCREASING COMMUNISTIC ACTIVITY IN THE WESTERN HEMISPHERE

(Mr. SELDEN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SELDEN. Mr. Speaker, we in the United States, as well as all of the people in our sister Republics of Latin America, have cause for concern over the growing evidence of increasing communistic activity in the Western Hemisphere.

One of the principal goals of international communism is to divide the American Republics and to weaken the U.S. position of leadership. Its ultimate aim, as proved in Guatemala, is complete con-

trol and domination of the individual countries of the Western Hemisphere.

In an effort to destroy U.S. leadership and to impose the Communist philosophy and way of life upon the peoples of the Americas, the forces of international communism have subjected the United States to an unprecedented campaign of vilification and abuse. Aiding and abetting these efforts are certain officials of the present Government of Cuba. Outright slander and deliberate distortion of the truth have become characteristic of efforts by the Castro regime to undermine our relations with our Latin American neighbors and to build up a false impression of the United States and its policies in the minds of the people of Cuba.

Our Government to date has been extremely patient with the fanatic little band which has imposed its ruthless and despotic will on the people of Cuba. However, this country can ill afford to ignore mounting evidence that the present Cuban Government is being used to further the international communistic conspiracy.

Realizing the seriousness of the situation, I have called a meeting of the Foreign Affairs Subcommittee on Inter-American Affairs, of which I am chairman, to examine the Communist threat in the Western Hemisphere and with particular reference to the situation in Cuba. Hearings will begin tomorrow, during which Members of Congress who have introduced resolutions on this subject are being invited to appear and give the subcommittee the benefit of their knowledge and views. The subcommittee will resume its hearings on Monday with officials of the executive branch appearing at that time. It is my hope that this subcommittee examination will focus attention on what appears clearly to be the latest move of Communist forces to take full advantage of the opportunities manufactured for them by Castro and his followers.

WILL PEIPING SOON JOIN NUCLEAR CLUB?

(Mr. WOLF asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. WOLF. Mr. Speaker, on June 3 on the floor of the House I stated for the record that I am not, and never have been, in favor of diplomatic recognition of Red China. I stated, however, that we simply cannot close our eyes and pretend it is not there, for it is an accomplished fact, whether we like it or not.

I stated further that facts have recently been made available to me which prove conclusively that the Russians are transferring much of their research and development equipment into northwest China. I was told that within 1 year it is very likely that Red China will explode her own atom bomb and, so, the nuclear club grows even larger.

Marquis Childs contributed some very illuminating thoughts on this whole general subject in his column which appeared in the Washington Post, this morning, June 16.

It is significant that newsmen are more and more frequently admitting to the existence of the threat to world peace from Red China. I hope that our State Department gives full consideration to these thoughts presented by this eminent editorial writer.

The danger inherent in a nuclear explosion by Red China is brought out in Mr. Childs' statement that the leftists in Japan would certainly steer a neutral course and deny bases in Japan to American bombers and American troops. A nuclear explosion by Red China would undoubtedly result in increased rioting in Japan and increased pressure on the Japanese Government to do just that. I think the U.S. Government must give sober consideration to such an eventuality.

Mr. Childs' editorial follows:

[From the Washington Post, June 16, 1960]

WILL PEKING SOON JOIN NUCLEAR CLUB?

(By Marquis Childs)

Communist China is so far advanced in the development of nuclear fission that a nuclear device could be set off by Peking during President Eisenhower's visit to Chiang Kai-shek's island bastion of Formosa this week.

This is the belief of highly informed sources in the Government here. In making a careful and detailed intelligence appraisal recently of Red China's progress in the nuclear field majority opinion is not so pessimistic.

The majority view is that within a year and a half to 3 years Peking can explode a device equivalent to that set off by the French in the Sahara last winter. But at the same time it was acknowledged that past estimates of Communist capability in the nuclear field have always erred on the hopeful side.

The United States detonated its first atomic device at Alamogordo, N. Mex., on July 16, 1945. The Soviets set off their first explosion on August 29, 1949. Detected by America's monitoring system, it was announced by President Truman on September 23.

But some of America's most knowledgeable experts in the atomic field had said that it would take Russia 20 years to come up with the first device. Others said 10 years. Only a few scientists, such as Prof. Harrison Brown of the California Institute of Technology, put the figure as low as 3 to 4 years.

No imagination is required to appreciate the shock that would result if the Chinese could achieve an atomic explosion, verifiable by the world monitoring system, at this time. It would be aimed primarily at Japan. The effect of the shock wave created in the febrile, highly emotional Japanese people, stirred by Communist and extreme leftist propaganda, would be incalculable, in the view of those who are most familiar with the situation.

Red China could count on a great increase in the neutralist-pacifist sentiment in Japan. If China, so the arguments of Japan's leftists would run, is about to get a nuclear weapons capability, then Japan must certainly steer a neutral course and deny bases in Japan to American bombers and American troops. This is a major objective of Communist propaganda and it finds all too ready a response in a nation deeply divided and with the destruction of Hiroshima and Nagasaki an ever-present reality.

The effect of an atomic explosion would be far greater than what is much more likely to happen. That is the shelling of Quemoy and Matsu and the Formosa Straits

at the time that the President is on his way to visit Chiang.

While the odds are against its happening, one piece of evidence has caused sober second thoughts. These are the remarks made privately in Moscow not long ago by Prof. V. S. Emelyanov whose latest title, according to a Tass announcement of June 3, is Chairman of the Soviet Government Atomic Energy Committee. Emelyanov is reported to have said that the Chinese had made much more progress than the outside world suspected, even though the Soviets had given them comparatively little help.

Soviet experts are said to have assisted the Peking regime with advanced nuclear reactors of a sophisticated type. But this was presumably in connection with the peacetime uses of atomic energy. Most of the evidence points to a real concern on the part of the Soviet Union lest the Chinese get nuclear weapons and then proceed to carry out their more or less openly avowed intentions of using them.

Exploding a nuclear device, as the French have done, is a long way short of having a weapons capability. But even if the Chinese achievement is a year and a half to 3 years away it points up the fearful danger in the proliferation of nuclear weapons and the greatly increased chances of all-out nuclear war.

As the latest editorial in Pravda indicates, the Soviet are concerned over the left-wing extremists in China who insist that communism and "capitalist imperialism" must inevitably war to the death with co-existence ruled out. Mao Tse-tung has said that China could absorb 200 million casualties and emerge with its vast land mass as the only victor, or survivor, in a nuclear war. And appalling as it may seem to the West, the fanatical, Western-hating Chinese could view this as a reasonable sacrifice.

WE MUST UNDERSTAND RECENT EVENTS IN JAPAN

(Mr. JOHNSON of Colorado asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include a statement.)

Mr. JOHNSON of Colorado. Mr. Speaker, the distressing events now occurring in Japan prompt me to call to the attention of the Members a statement signed by 400 clergymen in the United States, from all parts of this great Nation. I think it deserves a thoughtful study by every American, and especially the thoughtful attention of the U.S. Senate.

We need to understand events in Japan in more historical terms than simply declaring that those who disagree are Communists. Much damage has already been done. Before it is too late to make amends, I trust Americans will reexamine this proposed mutual security pact. The opportunities to encourage democracy will not be enhanced by rushing approval of a basic course of action which is fundamentally opposed by a significant part of the whole community. Great national purposes such as justify international treaties should have widespread popular support throughout the countries which are party to them. Otherwise, with the first change in administration, the treaty will be renounced. We should not assume that so fragile a reed represents a powerful sword or a strong shield. The statement follows:

The undersigned, as a result of our deep desire for total world disarmament and our respect for the Japanese Constitution's renunciation of war and military preparations, join in issuing this statement to our fellow citizens:

The United States and Japan have concluded a little publicized series of negotiations that will become a treaty of military alliance if it is signed and ratified by both countries. The draft of this "Mutual Cooperation and Security Treaty" will extend for another 10 years the stationing of United States forces in Japan. It obligates Japan to resist and to retaliate against any attack on U.S. bases. It requires Japan to have sufficient military capability for modern war, a standard provision of all countries having mutual aid treaties with the United States. It also sanctions the use of Japanese forces outside of Japan. Moreover, there is no provision against the introduction of nuclear weapons into Japan and presumably it opens the way to Japan's becoming a nuclear power.

This treaty is a clear violation of article 9 of the Japanese Constitution which contains the following:

"Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes.

"In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognized."

This provision in the Japanese Constitution was in effect a joint declaration of the Japanese and American people. Not only was it widely hailed in both countries at the time but it was a Japanese concept encouraged and accepted by the United States then occupying Japan.

Only 10 years ago, on January 1, 1950, General MacArthur, who had represented the United States in Japan at the time the Constitution was adopted, said in an address to the Japanese people:

"A product of Japanese thought, this provision is based upon the highest of moral ideals, and yet no constitutional provision was ever more fundamentally sound and practical. . . . In this historic decision, you are the first. The opportunity therefore is yours to exemplify before mankind the soundness of this concept and the inestimable benefit resulting from the dedication of all energy and all resource to peaceful progress. In due course other nations will join you in this dedication, but meanwhile you must not falter. Have faith in my countrymen and other peoples who share the same high ideals. Above all, have faith in yourselves."

The present effort to circumvent the Japanese Constitution is the joint responsibility of the Japanese Premier Nobusuke Kishi and the U.S. Government. There is no popular demand in Japan or in the United States for a military alliance between the two countries. In fact, there is widespread opposition in Japan to any military alliance and especially to any pact that would provide an entering wedge for the eventual introduction of nuclear weapons.

During his first years in office Premier Kishi indicated that the Japanese Constitution precluded any military alliance with the United States. About a year ago he suggested changing the Constitution. Realizing how unpopular and impossible this was he finally asserted that the Constitution permitted rearmament as well as a military pact with the United States.

The pressures for this treaty include the following:

1. The prewar Japanese industrial combines which were dissolved by MacArthur

following the war have been resurrected. They profit from U.S. military aid and military contracts from U.S. forces in Japan who spend some \$200 million annually for goods and services in Japan. They not only want to continue the presence of American troops in Japan but look forward to an expanded rearmament program by Japan itself. These economic pressures are exerted by leading industrialists within Kishi's own party as well as in other ways. (John G. Roberts, "Remilitarization of Japan," the Nation, Dec. 19, 1959.)

2. American economic interests such as Westinghouse, General Electric, Western Electric, Standard Oil, and Alcoa are business allies of the Japanese industrial houses. American investments in Japan have jumped from a prewar figure of \$119 million to over \$600 million. More than 800 U.S. companies have profitable tieups with Japanese firms. In addition, loans totaling more than 2 billion have been made in the postwar period. These loans were Government and World Bank loans. "The protection of this investment," asserts one authority, "is a sufficient incentive for encouraging Japan to rearm." (idem.)

3. One reason Japan is so susceptible to economic pressure is the policy of the United States concerning trade with China. Even such trade as Japan might have had without strong objection from the United States was cut off by China in 1958 because of Japan's close support of American policy.

4. Beyond the economic pressures are the political ones. It was the complete destruction of Japan by the United States in World War II that created the power vacuum that in turn permitted the Chinese Communists to become the strongest power in Asia. In this day of rising Russian and Chinese power the United States has no powerful allies in Asia. The one hope for a great power in Asia allied to the United States is Japan. The United States, as a part of its policy of hostility toward China and its reluctance to work for disarmament, is concentrating on the rebuilding of a strong, militarized Japan.

In one sense the proposed treaty is simply the method of formally declaring and extending a policy the U.S. Government has pursued for some years. The Pentagon has not wanted American troops withdrawn from Japan. Therefore when the pressures for ending the occupation were mounting, we concluded a peace treaty with Japan which at one and the same time provided for withdrawal of occupation forces and for the right of Japan to retain foreign armed forces on her soil as a result of bilateral or multilateral agreements.

James Reston, in the November 19, 1951, New York Times, wrote:

"The Pentagon would like to keep most of its buildings, its hotels, its golf courses. It would also like to retain legal jurisdiction over its personnel at all times and, of course, it is concerned to see that the Army post exchanges are well supplied with everything from American golf balls to liquor, tax free.

"The State Department recognizes that the Army has an argument on all these points, but in the political field the United States has made a great play with the theme that it was restoring Japan's independence while the Russians were using their security treaty rights to dictate to their allies how they should live and serve the interests of the military authority.

"Mr. Rusk will talk with General Ridgway about trying to work out a compromise that will avoid suspicion that the United States is clamping a phony independence on Japan while at the same time preserving the facilities essential to the U.S. military command."

The proposed treaty and the policies it promotes have some dangerous and far-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of June 17 and
June 18, 1960

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HIGHLIGHTS: Senate passed: Federal pay bill; Labor-Hew appropriation bill; omnibus flood control bill. Senate committee reported general Government matters and independent offices appropriation bills. House Rules Committee cleared Poage farm bill. House passed mutual security appropriation bill. (Highlights continued on page 7.)

SENATE - June 17

1. FEDERAL PAY BILL. Passed, 62-17, this bill, H. R. 9883, without amendment. The bill will now be sent to the President. pp. 12053-4, 12062-101
Rejected the following amendments:
By Sen. Carlson, 28-54, to provide for an increase averaging 6% rather than 7½% for classified employees. pp. 12063-71
By Sen. Ellender, 19-63, to limit increases to employees whose salary is not over \$10,000. pp. 12071-8
By Sen. Ellender, 23-58, to eliminate legislative employees from the bill. pp. 12078-82
By Sen. Church, to confine the bill to postal workers, 22-58. pp. 12082-8
By Sen. Dirksen, 11-70, to authorize the President to adjust pay to make it comparable to that in private enterprise. pp. 12088-97

Rejected, 21-56, a motion by Rep. Ervin to recommit the bill with instructions to report it back in separate bills for (1) postal and (2) other employees. pp. 12097-101

As passed, the bill includes provisions as follows: Provides for a general increase of $7\frac{1}{2}\%$ in the pay for Government employees. Increases salaries of the chief legal officers of departments from \$19,000 to \$20,000. Establishes the position of Administrative Assistant Secretary in HEW. Provides 5 additional supergrades in ICC.

Labor-HEW appropriation

2. APPROPRIATIONS. Passed, 63-6, with amendments the/ bill, H. R. 11390. Senate conferees were appointed. pp. 12177, 12224, 12230-43

The Appropriations Committee reported with amendments H. R. 11389, the general Government matters appropriation bill (S. Rept. 1610), and H. R. 11776, the independent offices appropriation bill (S. Rept. 1611). p. 12045

3. FLOOD CONTROL. Passed, 70-5, with amendments H. R. 7634, the omnibus flood control and rivers and harbors bill (pp. 12177-224). A letter from Assistant Secretary Peterson to Sen. Bush, comparing distribution of approved installation cost for flood prevention measures with that proposed in the Uniform Cost-Sharing Act, was inserted in the Record. (pp. 12218-222). Senate conferees were appointed (p. 12224).

4. IMPORTS. Agreed to conference reports on the following bills: H. R. 9881, to extend the existing law relating to free importation of personal and household effects brought into the U. S. under Government orders (p. 12225). H. R. 9322, to make permanent the existing suspension of duties on certain coarse wool (pp. 12225-6). H. R. 9862, to continue for 2 years the existing suspension of duties on certain lathes used for shoe-last roughing or for shoe-last finishing and for 3 years on casein (pp. 12226-30).

5. PUBLIC DEBT; TAXATION. Began debate on H. R. 12381, to extend for 1 year the public debt limit and the existing corporate normal-tax rate and certain excise-tax rates. pp. 12243-50

6. LIFE INSURANCE. The Post Office and Civil Service Committee reported without amendment S. 3421, to amend the Federal Employees' Group Life Insurance Act so as to provide authority for the Commission to determine claimants if no claim is filed (S. Rept. 1609). p. 12045.

7. FARM LABOR. The names of Sens. Humphrey, Hart, Douglas, McNamara, Murray, Dodd, Proxmire, Clarke, and Young of Ohio were added as cosponsors of S. 3666, to extend the Mexican farm labor program for 2 years and to amend it to provide certain safeguards for the protection of domestic agricultural workers. pp. 12051, 12252

8. INTERNATIONAL ORGANIZATIONS. Both Houses received from the State Department a report on U. S. contributions to international organizations for the fiscal year 1959. pp. 12043, 12175

HOUSE - JUNE 17

9. FARM PROGRAM. The Rules Committee reported a resolution for consideration of H. R. 12261, the Poage farm bill to modify market adjustment and price support programs for wheat and feed grains and to provide a high-protein food distribution program. p. 12159

10. MUTUAL SECURITY APPROPRIATION BILL, 1961. By a vote of 258 to 154, passed with amendments this bill, H. R. 12619. pp. 12102-59, 12170-1

Agreed to the following amendments:

By Rep. Coffin to provide that none of the funds for technical cooperation shall be used to initiate any project or activity which has not been justified to the House and Senate (rather than justified to the Committees of Appropriations of the House and Senate as provided in the bill as reported). pp. 12129-30

By Rep. Yates to strike out a provision of the bill which would have provided that none of the funds could be used for the Indus River Basin project in India and Pakistan. pp. 12138-43

Rejected: By Rep. Roosevelt to increase the appropriation for technical cooperation from \$150,000,000 to \$172,000,000. pp. 12130-1

By Rep. Reuss to strike out a provision of the bill providing that none of the funds shall be used to study the advisability of a Point Four Youth Corps to train young people to serve abroad in the technical cooperation program. pp. 12149-54

11. **TRANSPORTATION.** The Interstate and Foreign Commerce Committee reported the following bills: p. 12175
S. 1508, without amendment, to provide for the economic regulation of the Alaska Railroad under the Interstate Commerce Act (H. Rept. 1913);
S. 1509, with amendment, to amend the Interstate Commerce Act so as to provide for "grandfather" rights (preference rights for certain carriers operating in the past) for certain motor carriers and freight forwarders in Alaska (H. Rept. 1914).
12. **PERSONNEL.** The Post Office and Civil Service Committee reported with amendment S. 2857, to amend the Civil Service Retirement Act so as to provide for refunds of contributions in the case of annuitants whose length of service exceeds the amount necessary to provide the maximum annuity allowable under the act (H. Rept. 1916). p. 12175
13. **PUBLIC LANDS.** A subcommittee of the Interior and Insular Affairs Committee voted to report with amendment H. R. 10418, to revise the boundaries of the Coronado National Memorial. p. D570
14. **FRUIT AND NUT IMPORTS.** The "Daily Digest" states that the Rules Committee tabled H. R. 12341, regarding import restrictions on lemons, oranges, figs, dates, and walnuts. p. D570
15. **WHEAT; FARM PROGRAM.** Rep. Riehlman inserted a newspaper editorial urging enactment of legislation to provide a "new approach" to the farm program, stating that last year "96 factory-style farms collected more than \$50,000 each in cash loans on their wheat." p. 12171
16. **SMALL BUSINESS; MARKETING.** Rep. Patman inserted his testimony, and that of Rep. McFall, before the House Interstate and Foreign Commerce Committee supporting the enactment of legislation to prohibit the sale of commodities at unreasonably low prices. pp. 12160-66
17. **LEGISLATIVE PROGRAM.** Rep. Albert announced the following legislative program: Mon., June 20: consent calendar, followed by the following bills under motions to suspend the rules: S. 1508, Alaska railroad regulation, S. 1509, grandfather rights for motor carriers in Alaska, H. R. 9600, donation of surplus property, and H. R. 11499, use of surplus property by States; Tues: Private

calendar, and Poage farm bill; and for the remainder of the week: supplemental appropriation bill, H. R. 12176, extension of farm labor program, H. R. 7624, food additives bill, and H. R. 9996, importation of excess property.
(p. 12136) He Also stated that any votes on Mon. or Tues. would go over until Wed. (p. 12174)

18. ADJOURNED until Mon., June 20. p. 12175

SENATE - JUNE 18

19. COTTON. Passed as reported H. R. 11646, to amend the act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton, as amended, by defining certain offenses in connection with the sampling of cotton for classification and providing a penalty provision. p. 12275

Passed without amendment H. R. 12115, to extend the minimum national marketing quota for extra long staple cotton to the 1961 crop. This bill will now be sent to the President. p. 12276

20. DAIRY PRICE SUPPORTS. Passed over, at the request of Sen. Hart, S. 2917, to establish a price support level for milk and butterfat. p. 12275

21. ACREAGE ALLOTMENTS. Passed as reported S. 3117, to treat all basic agricultural commodities alike with respect to the cost of remeasuring acreage. p. 12276

22. CHEMICAL PESTICIDES. Passed without amendment H. R. 7480, to amend the Federal Food, Drug, and Cosmetic Act so as to provide that the term "chemical preservative" shall not apply to a pesticide chemical when used in or on a raw agricultural commodity produced from the soil, and to require that shipping containers for raw agricultural commodities be labeled to indicate by name or function the presence of any pesticide chemical that had been applied after harvest. This bill will now be sent to the President. pp. 12269-70

Passed over, at the Request of Sen. Hart, S. 3473, to provide for advance consultation with the Fish and Wildlife Service and with State wildlife agencies before the beginning of any Federal program involving the use of pesticides or other chemicals designed for mass biological controls. p. 12276

Sens. Curtis and Carlson criticized a statement by the Food and Drug Administration that the use of 2-4D weed killer on wheat fields might make the wheat unsalable, and invited any interested Senators to a meeting scheduled today for resolving the problem created by this announcement. pp. 12310-2

23. PERSONNEL. Passed over, at the request of Sen. Hart, H. R. 4601, to amend the act of Sept. 1, 1954, in order to limit to cases involving the national security the prohibition of payment of annuities and retired pay to officers and employees of the U. S. and S. 1638, to provide for an effective system of personnel administration for the executive branch of the Government. p. 12269

Passed without amendment S. 3486, to authorize Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the U. S. p. 12272

Passed without amendment S. 3485, to amend section 7 of the Administrative Expenses Act of 1946, to provide for the payment of travel and transportation cost for persons selected for appointment to certain positions in the U. S. p. 12274

24. WATERSHEDS. Passed without amendment H. R. 11615 (in lieu of similar S. 3383), to amend Sec. 4 of the Watershed Protection and Flood Prevention Act to authorize Federal assistance on watershed projects prior to acquisition of land,

Senator from Tennessee [Mr. KEFAUVER], the Senator from Michigan [Mr. McNAMARA], the Senator from Oregon [Mr. MORSE], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CARROLL], the Senator from California [Mr. ENGLE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], the Senator from Mississippi [Mr. STENNIS], the Senator from Texas [Mr. YARBOROUGH], the Senator from Michigan [Mr. McNAMARA], the Senator from Missouri [Mr. HENNINGS], the Senator from Louisiana [Mr. ELLENDER], and the Senator from Arkansas [Mr. FULBRIGHT] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from South Dakota [Mr. MUNDT], and the Senator from Kansas [Mr. SCHOEPPPEL] are absent on official business.

If present and voting, the Senator from Nebraska [Mr. HRUSKA] and the Senator from Kansas [Mr. SCHOEPPPEL] would each vote "yea."

The result was announced—yeas 21, nays 56, as follows:

[No. 228]

YEAS—21

Bennett	Dirksen	McClellan
Bridges	Dworshak	Morton
Bush	Ervin	Saltonstall
Case, S. Dak.	Goldwater	Talmadge
Church	Holland	Thurmond
Cooper	Lausche	Wiley
Curtis	Lusk	Williams, Del.

NAYS—56

Aiken	Gruening	Martin
Allott	Hart	Monroney
Anderson	Hartke	Moss
Bartlett	Hill	Murray
Beall	Humphrey	Muskie
Bible	Jackson	Pastore
Brunsdale	Javits	Prouty
Byrd, W. Va.	Johnson, Tex.	Proxmire
Cannon	Johnston, S.C.	Randolph
Carlson	Jordan	Robertson
Case, N.J.	Keating	Scott
Clark	Kerr	Smathers
Dodd	Kuchel	Smith
Douglas	Long, Hawaii	Sparkman
Eastland	Long, La.	Symington
Fong	McCarthy	Williams, N.J.
Frear	McGee	Young, N. Dak.
Gore	Magnuson	Young, Ohio
Green	Mansfield	

NOT VOTING—23

Butler	Chavez	Fulbright
Byrd, Va.	Cotton	Hayden
Capehart	Ellender	Hennings
Carroll	Engle	Hickenlooper

Hruska	Morse	Schoeppel
Kefauver	Mundt	Stennis
Kennedy	O'Mahoney	Yarborough
McNamara	Russell	

So Mr. ERVIN's motion to recommit with instructions was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the third reading of the bill.

The bill was read the third time.

The PRESIDING OFFICER. The question is on the passage of the bill. Is all time yielded back?

Mr. JOHNSTON of South Carolina. I yield back the remainder of my time.

Mr. DIRKSEN. I yield back the remainder of my time.

Mr. JOHNSTON of South Carolina. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Shall the bill pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN (when his name was called). On this vote, I have a live pair with the senior Senator from Kansas [Mr. SCHOEPPPEL]. If he were present and voting, he would vote "nay"; if I were permitted to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from California [Mr. ENGLE], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], the Senator from Texas [Mr. YARBOROUGH], and the Senator from Arizona [Mr. HAYDEN] are absent on official business.

I also announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Missouri [Mr. HENNINGS] are absent because of illness.

I further announce that the Senator from Massachusetts [Mr. KENNEDY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Michigan [Mr. McNAMARA], the Senator from Oregon [Mr. MORSE], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CARROLL], the Senator from California [Mr. ENGLE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. McNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Mississippi [Mr. STENNIS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from South Dakota [Mr. MUNDT], and the Senator from Kansas [Mr. SCHOEPPPEL] are absent on official business.

If present and voting, the Senator from Indiana [Mr. CAPEHART] and the Senator from New Hampshire [Mr. COTTON] would each vote "yea."

The pair of the Senator from Kansas [Mr. SCHOEPPPEL] has been previously announced by the Senator from Illinois [Mr. DIRKSEN].

On this vote, the Senator from South Dakota [Mr. MUNDT] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from Nebraska would vote "nay."

The result was announced—yeas 62, nays 17, as follows:

[No. 229]

YEAS—62

Aiken	Gore	Martin
Allott	Green	Monroney
Anderson	Gruening	Moss
Bartlett	Hart	Murray
Beall	Hartke	Muskie
Bible	Hill	Pastore
Bridges	Humphrey	Prouty
Byrd, W. Va.	Jackson	Proxmire
Cannon	Javits	Randolph
Carlson	Johnson, Tex.	Saltonstall
Case, N.J.	Johnston, S.C.	Scott
Chavez	Jordan	Smathers
Church	Keating	Smith
Clark	Kerr	Sparkman
Cooper	Kuchel	Symington
Dodd	Long, Hawaii	Talmadge
Douglas	Long, La.	Wiley
Eastland	McCarthy	Williams, N.J.
Ellender	McGee	Young, N. Dak.
Fong	Magnuson	Young, Ohio
Frear	Mansfield	

NAYS—17

Bennett	Dworshak	McClellan
Brunsdale	Ervin	Morton
Bush	Goldwater	Robertson
Byrd, Va.	Holland	Thurmond
Case, S. Dak.	Lausche	Williams, Del.
Curtis	Lusk	

NOT VOTING—21

Butler	Hayden	Morse
Capehart	Hennings	Mundt
Carroll	Hickenlooper	O'Mahoney
Cotton	Hruska	Russell
Dirksen	Kefauver	Schoeppel
Engle	Kennedy	Stennis
Fulbright	McNamara	Yarborough

So the bill (H.R. 9883) was passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Senate proceedings continued after House proceedings of today's RECORD.)

House of Representatives

FRIDAY, JUNE 17, 1960

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Luke 6: 12: *He continued all night in prayer unto God.*

O Thou transcendent and immanent God, who alone can satisfy our mortal needs and our immortal longings, grant that in the tragic unrest of our day, we may have a faith that finds its center and circumference in Thee.

Inspire us with a fortitude that can master and dispel all the somber moods of doubt and despair which are hovering over the minds and hearts of so many members of the human family.

May our vision of Thy divine will and righteous purposes be so clear and commanding that we shall feel constrained to dedicate ourselves wholeheartedly to bring them to fulfillment.

Hear us in the name of the Captain of our Salvation. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11998. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHAVEZ, Mr. RUSSELL, Mr. HILL, Mr. McCLELLAN, Mr. ELLENDER, Mr. ROBERTSON, Mr. STENNIS, Mr. JOHNSON of Texas, Mr. SALTONSTALL, Mr. BRIDGES, Mr. YOUNG of North Dakota, Mrs. SMITH, and Mr. BYRD of Virginia to be conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2929. An act to amend the National Defense Education Act of 1958 in order to repeal certain provisions requiring affidavits of belief; and

S. 3670. An act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

The message also announced that the Senate agrees to the amendments of the

House to a joint resolution of the Senate of the following title:

S.J. Res. 39. Joint resolution proposing amendments to the Constitution of the United States to authorize Governors to fill temporary vacancies in the House of Representatives, to abolish tax and property qualifications for electors in Federal elections, and to enfranchise the people of the District of Columbia.

CALL OF THE HOUSE

Mr. HOEVEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 136]

Ashley	Hull	Moulder
Barden	Ikard	Patman
Blitch	Jackson	Powell
Bolling	Kearns	Randall
Bow	Kilburn	Roosevelt
Buckley	Kitchin	Shipley
Burdick	Kowalski	Taylor
Carnahan	Loser	Walter
Celler	McGovern	Williams
Dorn, S.C.	Morrow	Willis
Durham	Mitchell	Wilson
Foley	Morris, Okla.	Withrow

The SPEAKER. On this rollcall 396 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

LIMITATIONS ON CONSTRUCTION DIFFERENTIAL SUBSIDY

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10644) to amend title V of the Merchant Marine Act, 1936, in order to remove certain limitations on the construction differential subsidy under such title, as amended, with Senate amendments thereto, disagree to the amendments of the Senate, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BONNER, THOMPSON of Louisiana, GEORGE P. MILLER, TOLLEFSON, and VAN PELT.

MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATION BILL, 1961

Mr. PASSMAN. Mr. Speaker, I move that the House resolve itself into the

Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12619) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12619, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending the amendment offered by the gentleman from New York [Mr. TABER]. Without objection, the Clerk will rereport the amendment offered by the gentleman from New York.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. TABER. On page 2, line 15, strike out "\$1,600,000,000" and insert in lieu thereof "\$1,800,000,000."

Mr. TABER. Mr. Chairman, this, to my mind, is the heart of the bill, and the question is, Do you want to carry forward a bill that will do some good and will help to make this program one which will be operated in the interest of the people of the United States? If we are going to do something of this kind, let us do it as near right as we can. I am only asking to restore to this item in the bill 50 percent of what has been cut by the committee in writing the bill.

The question resolves itself into how much money is needed to carry this thing on and do it in such manner that it would be of some value to the people of the United States.

I am going to quote just a word from General Palmer, the military officer in charge of this operation, and let me say that General Palmer has had great experience for several years as Chief of Staff under General Norstad over across the water. General Palmer said on page 2327 of the hearings:

The unexpended carryover will have fallen to approximately \$2 billion by June 30, 1960, and the program is also falling. The forecast of expenditure during the current fiscal year (fiscal year 1960) is \$1.83 billion, while it is forecast that the program in fiscal year 1961 will be marked by an expenditure of \$1.79 billion. In these 2 years there is a drastic drop of \$560 million below the rate of the preceding 5 years.

Now, we are getting to the point where there is hardly a 12-month period in the chain of merchandise being produced and delivered. We have got to have these things if we are going to help those countries across the water and to keep them in shape so that they can help us to keep communism from spreading.

We have got to get things in shape for them so that they can do something. We have got to give them modern instruments of war. We have got to give them missiles, and those things cost a lot of money. It is absolutely necessary to do this if we are going to have any success in carrying forward the efforts that we are making to support the countries across the water—all of Europe, practically, outside of Russia. Turkey, Pakistan, Korea, Vietnam, Taiwan, the Philippines, and Indonesia, all of those places require help if they are going to have sufficient capacity to do the things that they need to do to keep the Communists contained.

Mr. Chairman, we are not asking for any more money than the expenditures will have been for this particular year.

The CHAIRMAN. The time of the gentleman from New York has expired.

(Mr. TABER asked and was given permission to proceed for 2 additional minutes.)

Mr. TABER. We are not asking for more money than has been spent this year or will have been spent when the end of June comes. We are asking to keep the thing whirling and keep it up as well as it has been kept up.

Now, there has been some talk by some people that there were irregularities, but those irregularities have been reduced. For my own part, I propose to do some things myself that I never have done before in the line of following up some of these things to see what they are doing and how they are doing it, because I do not like to see any waste. But there are only a few things that a Member of Congress can do along those lines. But we have got to put forward this particular program, the one thing that is straight out and out, for the benefit of those who are helping us to contain communism and keep things from getting worse and worse as we go along. This amendment will just simply put the administration of the military aid situation back on a scale where it was for this year where the expenditures have been for last year and the year before. Now, if we do not do this, we are going to seriously handicap that program. Their expenditures will drop off, and the reserves that they have, of things coming through, will be dropping off much further than they have in years past, because we are getting down now to such a low figure in the unexpended balances.

Mr. Chairman, I hope that the members of the committee will support this amendment.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

(Mr. PASSMAN asked and was given permission to proceed for 5 additional minutes.)

Mr. PASSMAN. Mr. Chairman, I have no telegrams from the President to fortify me in my statement this morning. But I do want to give you some information heretofore denied the committee, and at the outset I also want to repeat what I said yesterday, and that is that the total foreign aid program, since its inception, all phases of it, has exceeded \$100 billion and is now costing, overall, in excess of \$10 billion annually.

I think I should point out that even though this year tax revenues are unprecedentedly high, during the first 11 months and 13 days of this fiscal year we have already withdrawn from the Treasury \$4,772 million more than we have deposited in the Treasury. I should think that, knowing our public debt is \$289 billion, as of Monday morning, and knowing that we have withdrawn almost \$5 billion more from the Treasury than we have put in this fiscal year, we should give some careful thought to what we are doing.

The charge is being made today, but it is without foundation in fact, that we are wrecking the military assistance program. The same type of charge has been made every year for the past 5 years, but it has never been substantiated; and the charge will also prove to have been incorrect when we come before the House again next year. I say, Mr. Chairman, that during the previous 5 years, in which it has been my privilege to represent the committee on this bill, the Congress, in its wisdom, has reduced the President's requests by \$4 billion. And it has afterward been generally acknowledged, year after year, that sufficient funds had been provided and that the program had been improved as a result of the reductions. In addition to the \$4 billion overall cut in funds, in the military assistance program alone there were unobligated funds during this same period of \$783 million, money which they could not even obligate and these funds lapsed. Those are the facts and you cannot get around them.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman.

Mr. RHODES of Arizona. Will the chairman tell the committee how much was unobligated this year?

Mr. PASSMAN. Not \$1 million of the \$783,653,000, the figure which I have used, is included this year. And I am not taking into account one single penny of unobligated funds, when I give these figures. I am giving the figures correctly.

Mr. Chairman, I want to say that we have had a very difficult time getting valid information. I hold in my hand a letter from the Department of State marked "Secret" and it contains a statement heretofore not revealed to the committee, as such. In the second paragraph of this highly secret letter it is stated:

These currencies make it possible for the country of origin to raise and maintain the forces considered essential by the United States.

Finally, the day before yesterday, we told the people downtown, indirectly, that if they did not declassify this information we were going to subpoena them for further testimony. So, I believe it was on Tuesday afternoon, the Department said that we could reveal these figures publicly for the first time.

There is a total of \$451 million of dollar equivalent in local currencies available for this military aid program that has never been mentioned to the membership of this House. This has

been a secret document, but it is not secret this morning, and any Member may look at it.

I want to go a bit further, as I heard some of my friends who supported our position in the full committee state that they would vote to transfer funds out of some other account into this. I want to say, here and now, that it is not going to be necessary to do that because, as I speak to you this morning, and without taking into account any unobligated funds, the military program has \$1,600 million, plus cash receipts from the sale of military equipment of \$40 million.

I hold in my hand a letter from the Comptroller General stating amounts which legally could be transferred to military assistance on the morning of July 1 of this year. This total is \$259,980,400. So, we could argue the remainder of the day, Mr. Chairman, but it is a matter of fact that there is now \$1,900 million cash which can be used in this military aid program by using the transferability clause, and without appropriating another dime.

If you do not think this committee is up against a tremendous job, let me say to you that I also hold in my hand a letter from the office of the Secretary of Defense, circulated in the Department of Defense, June 1, 1960, and it states:

Attached for your information is a list of the members of the House Appropriations Committee that have not been contacted as of this date relative to the mutual security program.

There are 24 members of the Appropriations Committee listed to be recipients of pressure to get this particular money.

Without the amendment the military assistance category has \$1,600 million of new money, plus \$40 million new money, plus transferability of \$259,980,000. The letters are here to back me up in that statement. This makes a total of \$1,900 million for military aid without the amendment.

This committee has worked hard and is entitled to your support. You let this thing get more out of control, and we will never be able to get it under control.

Proceeding, I quote now from page 135 of our subcommittee's hearings:

Mr. PASSMAN. We do have a program in Europe, under the NATO setup, through which we are appropriating American dollars to continue a military program in Europe? Secretary HERTER. Yes, sir.

Mr. PASSMAN. Is it not true that we have contracts with nations which have had such a speedy recovery in their economy that, if it were not for the contracts, it would not be necessary to appropriate American dollars to carry out our commitments?

Secretary HERTER. Very true.

We have gotten ourselves involved in these contracts with nations which in many instances, are more able to pick up the military checks than we are; but we are involved in these contracts and we have to go through with them. The more money you give these people the more they are going to get us involved.

I have conferred with most of the leaders of both bodies who are especially concerned with military affairs. Among others, Senator RUSSELL told me that he

had carefully considered our recommendations in detail and was convinced that the program was adequately financed.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Tennessee.

Mr. EVINS. I have been impressed with the diligence of the gentleman from Louisiana as have other Members of the House. I recall his statement that in the military assistance program we have supplied certain nations with more airplanes than they have pilots trained to use them. Is this the fact?

Mr. PASSMAN. To some countries we have supplied two planes for each pilot, and to others eight tanks for each crew. In another country they have placed much of the equipment in permanent storage. For five foreign countries in which our subcommittee held hearings, and taking an accounting report on one other country, there was \$300 million in military equipment in excess of requirements.

Mr. EVINS. In other words, they have planes that have already been delivered to them that they are unable to use because of the lack of pilots and other military assistance that they do not have trained men to use.

Mr. PASSMAN. That is true, as of the time of the report.

Mr. EVINS. Mr. Chairman, will the gentleman yield further?

Mr. PASSMAN. I yield to the gentleman from Tennessee.

Mr. EVINS. I have had some difficulty in running down the total correct figures on expenditures on this program. I checked with the Library of Congress and with the Mutual Security Administration and with the Department of State. I have here some seven items, totaling some \$80 billion, that have gone into the foreign aid program in the years from 1949 to 1959.

First. Mutual aid programs—ICA, economic and military assistance, Development Loan Fund, and so forth, \$56 billion.

Second. Other grants and credits in postwar period—President's contingent fund, defense expenditures, and so forth, \$14 billion.

Third. Loan authority of Export-Import Bank, \$5 billion.

Fourth. American contribution to International Bank for Reconstruction and Development—contingent liability, \$4 billion.

Fifth. American contribution to World Bank for economic development loans, approximately \$1 billion.

Sixth. American contributions to International Monetary Fund—total liability of all countries \$14 billion—\$4 billion.

Seventh. American contributions to International Finance Corporation—total of all countries about \$100 million—\$35 million.

Total postwar aid, \$79,535 million, or approximately \$80 billion in 10 years.

In addition, grants and loans in unspecified amounts have been made to foreign governments by other agencies. I have not been able to obtain the figures for these: The Agriculture Department,

Commodity Credit Corporation, Foreign Agricultural Service, Atomic Energy Commission, Commerce Department, General Services Administration, Interior Department, Treasury Department, U.S. Information Agency, and others.

In all, our country has provided loans, grants, and credits of more than \$80 billion.

Mr. PASSMAN. I might state that the total amount in the items to which you are referring is more than \$87 billion, with fiscal 1960 estimated. This does not include oversea military construction. If you put it all in, the total exceeds billions.

I might say to the gentleman that the total in the military assistance program alone has been \$25 billion in 60 nations since the inception of the program; and going into only 5 nations, and using an accounting report for another country we found that they had material in excess of their requirements amounting to \$300 million.

Mr. EVINS. In other words, it amounts to \$86 billion rather than \$80 billion in the entire program?

Mr. PASSMAN. It amounts to more than \$87 billion, if you please, exclusive of oversea military construction.

Mr. EVINS. In the last few weeks, we have been rebuffed terribly in various parts of the world and I know that many are concerned about the possible effect that reductions in this program might have on our foreign relations. I might say in this connection that wasteful and extravagant throwing around of mutual aid funds is not a proper substitute for a carefully considered and carefully carried out foreign policy—and throwing in more money into wasteful and unnecessary projects will not cure the troubles we are suffering from as a nation in our relations with the rest of the world.

The issue is not the merit of the principle of mutual aid. Most of us recognize that the mutual aid program is a necessary part of our national defense policies and vitally important to building up the strength of our allies and friends against the ever-growing menace of communism throughout the world. I have always in the past supported the bill. However, the issue is the administration of the program which is far too loose and extravagant and wasteful. Throwing more and more money wastefully into this program will not improve the respect of the world toward us. More dollars is not the answer. But a new and vital approach is needed.

Mr. PASSMAN. There is another statement I would like to make, if I may. You do not replace this equipment every day. May I say that on an average about 92 percent of the equipment which we have provided is on hand and available for use.

I say to you, Mr. Chairman, we only want you to support us on the basis of the facts as they are. Let us keep this program under control. If you let these people cut loose as they want to do, you will never bring them under control.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Kentucky.

Mr. CHELF. The question that is worrying me considerably and I feel is worrying a good many Members of the House, especially those of us who have supported this program since it was originated by General Marshall—is whether or not there is a sufficient amount of funds in this particular appropriations bill at this particular time to insure an adequate supply of aid to our weaker but friendly nations who want to hold the line against the advance of communism. Recent events, such as the summit fiasco last month and the existing situation in Japan have caused me to want to double check—take a fresh and clear inventory as to our needs insofar as this program is concerned. I know that the gentleman from Louisiana has made a careful, painstaking, conscientious, intelligent study of this entire matter and I also know that he is a great American—dedicated if you please to what is best for America—therefore I ask the gentleman this pointblank question—in the opinion of the gentleman—Is there sufficient funds in this bill in view of current events? If the gentleman can assure us of this fact—I sincerely believe many Members of the House would be more inclined to follow the recommendations of the Appropriations Committee. We just want to be sure of our step at this crucial moment. We cannot afford to be wrong.

Mr. PASSMAN. This bill provides \$300 million more this year for military assistance than we appropriated last year for this purpose. This is 23 percent more—I want to repeat—there is \$1,900 million available in the program without the amendment, if the transferability feature is used.

Mr. CHELF. Without question then—the gentleman assures us that there is a sufficient amount of money in this bill?

Mr. PASSMAN. There is more money than they need.

Mr. CHELF. I thank the distinguished gentleman for his forthright answer.

Mr. MAHON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall support the action of the Committee on Appropriations on this bill. I would not feel it appropriate at this time to repudiate the action of the subcommittee, which has worked so long and successfully in an effort to get the facts with respect to the foreign aid program and formulate a bill. Had I been writing the bill, I would have recommended some figures which are different from those in the pending measure. However, I have no doubt that in the final version of the bill, after it has been cleared by the other body, some different figures will be arrived at and those figures will be higher than those now before us. But, it seems to me today, we ought to go along with the bill, as presented to us, and let the executive branch make its appeal to the other body with respect to any changes which are thought desirable. Let the other body conduct its hearings and work its will.

In the Senate-House conference which will then follow I believe we can

depend, as we have in the past, on the good judgment of the conferees to work out a bill that is reasonably satisfactory. It seems to me that is the best procedure. It is the safest procedure to follow. I therefore oppose the amendment to the gentleman from New York [Mr. TABER].

The gentleman from Kentucky [Mr. CHELF] has raised the issue of the impact on the foreign aid program of the humiliating experiences which we have sustained in Paris and more recently in Japan. In my judgment, our embarrassment at the summit and in Japan have not come about, even remotely, as a result of inadequate funding of our foreign aid program; and I say further—and I do not expect everyone to agree with me—our disappointing experiences in Japan and at the summit were not the result of American military weakness.

These things have come about as a result of a revolution in the world which is not solely related to the issue of military strength. Of course, our military strength is an important factor in the picture. The whole world knows, and I believe we all agree, that we have sufficient military strength to devastate any enemy who would dare attack us. It has been sufficient to deter attack.

The answer to our problem is not just money, more money. Some say that as a result of the unfavorable experiences of recent days foreign aid has been a failure and should be almost completely abandoned. Others argue that we need more foreign aid in the face of greater world tension. I reject both those arguments; I do not believe there is substance in either point of view.

I think the foreign aid program has done a great deal in stabilizing the world and saving the lives of millions of people and preserving freedom in many parts of the world. I have always voted for foreign aid, reserving the right to vote for modification and reductions, and I expect to do so again and probably vote for a higher figure by the time we finish with the bill in the Congress. What I am saying now is that we should support the committee and await further developments.

What we need more than money, Mr. Chairman, is a revitalization of our national purposes, a more resolute moral leadership on all levels, greater stability and firmness, and a steadfast determination on the part of our people to pay the price of world leadership; and the price of world leadership does not depend upon more and more dollars for foreign aid or even for the Department of Defense.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from New York.

Mr. TABER. Is the gentleman aware that in the past few years the other body has lowered instead of increasing these items?

Mr. MAHON. It has in some instances.

Mr. TABER. In this particular instance.

Mr. MAHON. And it may in this instance.

Mr. TABER. That would leave us high and dry.

Mr. MAHON. I believe that the figure in this bill, without being increased would not be too unreasonable with respect to our program for the forthcoming year.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(On request of Mr. PASSMAN and by unanimous consent Mr. MAHON was allowed to proceed for 2 additional minutes.)

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. PASSMAN. May I state that during the period since I became chairman of the subcommittee the other body has increased military assistance by \$1,210 million.

Mr. MAHON. We are coming to a national election. The people of our Nation are disturbed and confused as to what we should do. They are going to make some important decisions next November. It seems to me those of us who have gone along within reasonable limits on the mutual security program in the past can support this program today as embodied in the committee bill. I propose to stand with the committee at this juncture.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. FORD. I am sure the distinguished gentleman from Texas is familiar with the fact that last year the House figure for military assistance was \$1,300 million. The other body approved that identical figure; they did not raise it.

Two years ago the House approved for military assistance a figure of \$1,515,000,000. The other body maintained the same figure; they did not raise it. I therefore say that we cannot count on the other body in this year raising this figure for the military assistance program.

Mr. MAHON. I am not suggesting that the other body should raise the figure; but I will say that if the other body does not alter the figure, after it has heard the pleas from the agency, it will be pretty good evidence that the decision of the Appropriations Committee is reasonably sound.

Certainly this bill will provide adequate support until the next Congress convenes.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Louisiana.

Mr. PASSMAN. In the other body the military assistance program called for only \$1 billion. But, by agreement this was raised to \$1.3 billion and the House approved that figure. And, I repeat, in addition to that money, by using the transferability provisions, the President will have available \$1.9 billion for military aid, even without any additional appropriation.

Mr. HALLECK. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, may I say at the outset to some of those on both sides of the aisle who have not favored this program

in the past that certainly in view of the circumstances existing in the world today this amendment should be supported.

The gentleman from Louisiana has no better friend than I. He is sincere, but we all know he has been something of a longtime foe of these programs.

The gentleman from Texas is certainly one of the best informed men in the whole country in the matter of the defense of our country, but as I listened to his speech I got the very definite impression that what is expected here is that the other body will increase this amount and that then we will come out with a greater total than is here provided.

In my opinion, the questions of the gentleman from Michigan have indicated that on this occasion we cannot and should not rely on any such supposition as that. I think we should take the action today that should be taken by adopting this amendment.

Mr. Chairman, a great deal has been said here and in other places about America's obligation and its position as the leader of the free world. But the overriding issue at stake in these deliberations is the maintenance of our own military strength and the preservation of our own security.

I have said before, and I say again that the term "foreign aid" is a complete misnomer. This is a mutual security appropriation bill, mutual security for the nations of the free world. That is what is important.

The gentleman from Louisiana said that he was not fortified with a telegram about this matter, but I would like to say to him that as the majority leader in the 80th Congress under a then Democratic President I responded to requests many times and took action pretty much on the word of President Truman when this program was initiated. Looking back, I do not think I made any mistake. So I say without apology that before his departure for the Far East the President did send telegrams to Members on both sides of the aisle, and I think that was properly done.

In his telegram, the President said:

THE WHITE HOUSE,
Washington, D.C., June 11, 1960.

HON. CHARLES HALLECK,
House of Representatives,
Washington, D.C.:

I understand that, in addition to other unfortunate reductions, the majority of foreign operations subcommittee of the House Appropriations Committee has acted to cut the military assistance appropriation request by \$400 million and defense support by an additional \$75 million. This cannot but jeopardize our own security and the defense of the free world. Unavoidably the military assistance cut would compel America to withhold from her allies both in NATO and in the Far East the equipment required to maintain a respectable posture of defense. The defense support slash amounts in total to \$124 million below my original request and reduces this program by \$95 million below this year's level. This will force us to distribute a deficit among our allies rimming the Communist world from Korea to Turkey, to the detriment of all, or else to drop entirely from this powerful defensive

system one or more nations important to us in order to sustain the others at an adequate level. I must be, as you know, in the Far East when these subcommittee actions are reviewed next week in the full committee and in the House of Representatives. For our own security and for the common defense of the free world I most earnestly request your cooperation in restoring these funds.

DWIGHT D. EISENHOWER.

By contributing to the free world's military and economic strength we provide through the mutual security program an essential part of the defense of our own Nation. I well remember the words of the late Senator Vandenberg when in speaking of these programs he consistently expressed the view it was our own national interest we were seeking to protect. I believe that is as true today as it was then.

We seek to reinforce the efforts of our friends in the common defense. The strength we make possible is fundamental to the capacity and will of our allies to resist Communist threats and aggression. In that way it is fundamental to our own security and our own welfare. We know that the peace of the world is dangerously threatened by the Communist power bloc. We have done and are doing all that we can reasonably do to maintain and establish a true basis for a just and lasting peace. But the rude and ruthless action of the Soviet leaders has cast a chill on the free world. Free nations are faced with a calculated renewal of the cold war.

So, in this critical situation our Government and our people are faced with the problem and the duty of taking what action we can most effectively take to protect the interests of our own country.

Except for our own defense budget, probably the greatest single action within the power of the Congress to take in support of our Nation's security and defense of our free world association is to provide for a strong mutual security program. By such action we can make possible powerful defenses for our allies.

Since this program was initiated 12 years ago, the free world has made substantial gains in economic and military strength. We can see this plainly in the recovery of Western Europe. Allied armies receiving military assistance have increased from 3½ to 5 million men; allied navies have increased from 1,200 to 2,000 combat ships; allied air forces have increased from 16,000 to more than 25,000 aircraft.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(Mr. HALLECK asked and was given permission to proceed for 3 additional minutes.)

Mr. HALLECK. About one-half of these aircraft are jets. All of these forces are better trained, better equipped, and better able to perform their assigned missions in defense of the free world as a result of the mutual security program. And, what is important to our deliberations here today is that these significant gains in allied military strength have been achieved at a cost billions of dollars below what would have been needed to do the same job here at home. A program of mili-

tary and economic assistance enacted by the 80th Congress kept Western Europe and Greece and Turkey from falling into Communist hands in the late 1940's. Communist aggression has been checked in Korea, Vietnam, and Laos, and at the Taiwan Strait. More recently, free world nations have resisted Soviet pressures and have stood firm under threats of rocket attacks. And, of course, we had the most recent threat delivered 3 weeks ago. But, again I say our allies have stood firm and it is in our own basic strategic interest to support them in resisting actual or threatened bloc aggression.

The events which have just taken place in Japan are an ominous reminder to us all of how relentless the Communists are in their efforts to undermine and destroy free nations in this area. We, on our part, in this day and in this age, must be even more resolute, else these subversive forces shall succeed.

To that end I am going to support this amendment, which restores not all of the cut, just part of the cut, that was made by the committee, away below the authorization we voted upon some time ago. And, I am going to support the amendments for defense support that will be offered later, and I also intend to support an amendment dealing with the prohibition of funds for the Indus waters program, a program carefully worked out over a 9-year period by World Bank President Eugene Black to resolve one of the great issues confronting the free world involving troubles between India and Pakistan. If this effort is repudiated by the Congress, one of the great diplomatic successes of the decade will collapse.

This is a nonpartisan matter. This program through all the years of its existence has been supported by both sides of the aisle, and it has been resisted on both sides of the aisle. Both national platforms of 1956 strongly supported it. I have no doubt that the platforms to be drawn up next month by both parties will once again strongly endorse it. As a matter of fact, every major candidate for President that I know anything about supports this program. So, I do not think that we can afford to impede the progress that needs to be made either under President Eisenhower or whatever President succeeds him in the White House, because in my opinion, as long as the great struggle continues in the world, the struggle that has broken out between the slave and the free, we will be put to it to defend ourselves by working with the free people who stand with us.

So, I say with the President, let us not jeopardize our own security. Let us face up to the responsibility which is ours and adopt these amendments. This program is above partisanship. The real issue is the security and the strength and the protection of our own country.

Mr. GARY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I certainly agree with the gentleman from Indiana that the time has come when we should look out

for our security. If the events in the world today demonstrate anything, they demonstrate that nobody else is going to look out for us. If we do not look out for ourselves, we will soon find our resources exhausted and then we will really be alone in the world.

The Vice President of the United States was quoted in the paper 2 or 3 days ago as saying that this cold war is likely to last for 50 years.

I say to you without hesitation that in my judgment it will not last for 50 years if we continue to go on as we have in the past few years, because we will not be able to last that long.

Let me give you a few figures. Fifty years ago was 1910. At that time our receipts were \$676 million, our expenditures \$694 million, and our public debt was \$1,147 million.

Fifty years is a long time, but let us say that the Vice President is half right. Let us go back 25 years for comparison. In 1935 our total budget receipts were \$3,730 million; the total expenditures were \$6,521 million. Our debt then was \$28,701 million. If the figures I am using are wrong it is the fault of the administration, because I am quoting from the Federal budget in brief, published by the Bureau of the Budget.

Now, that was 1935. In the last 25 years since 1935 we have balanced the budget only 5 times—5 times in 25 years. We have had a deficit in every year except 5. Let us see what the figures are today. For 1960 the expenditures are \$77 billion. The national debt as of last Monday, June 13, was \$289,300 million.

Do you think we can keep that up for 25 or 50 years? I do not think we can. The time has come when we must begin to consider these facts. One thing is absolutely certain—a bankrupt nation cannot defend itself. And let me give you one other figure here. Already so far this year we are \$4,772,354,000 over the receipts. That is, our expenditures for the 11 months and 13 days of the present fiscal year exceed our receipts by \$4,772 million. How can we keep that up?

We have got to stop and consider these programs in the light of our fiscal situation. Moreover, let me say, with all due respect to my very good friend, the gentleman from New York [Mr. TABER], that he and I have been on this committee together since it was first created; we have usually agreed. But I well remember during the debate on the bill for the fiscal year 1957 the gentleman from New York [Mr. TABER] spoke for an increase in funds for military assistance. He told us how necessary that increase was at that time. The House did not agree with him, they agreed with me. I felt the funds were sufficient. And what happened? The military program in that fiscal year ended up with a surplus of \$538,800,000. I ask the gentleman from New York, is not that correct?

Mr. TABER. Yes; that is correct; but the gentleman's statement with reference to the present condition of the Treasury is not, as I understand it.

Mr. GARY. I said that these were the administration figures.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. GARY] has expired.

(Mr. GARY (at the request of Mr. HALEY) was given permission to proceed for 5 additional minutes.)

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I shall be glad to yield to the gentleman from New York.

Mr. TABER. The gentleman has not taken into account income tax payments due June 15, that will be coming in between now and the 1st of July.

I think we can count on there being close to if not a balanced budget.

Mr. GARY. I said to the gentleman I was using the latest figures available. This is the daily statement of the U.S. Treasury on June 13, 1960. That does not take into account the collections of June 15 but I still say that this sheet shows that the deficit as of last Monday, June 13, is \$4,700 million. I am not going to attempt to predict what the June 15 collections will be. I am not going to attempt to predict what the deficit will be at the end of the year. I am simply using the latest figures available, and I am using Treasury figures.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is that the latest statement?

Mr. GARY. They are the latest figures I have available. If I had later figures I would use them.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. CURTIS of Missouri. The gentleman is well aware of the fact that Treasury collections are highly seasonal and must be adjusted to get a fair picture.

Mr. GARY. I do not know how fair it will be, but we will get the picture for the year's operation at the end of the fiscal year. The gentleman can then discuss those figures. I will be glad to discuss them with him as soon as they are published. But I cannot anticipate what the figure is going to be next week or next month. They change so rapidly you cannot predict from day to day with any degree of accuracy.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Florida.

Mr. HALEY. Referring to the figures the gentleman has used here, is it not the fact that in 1953 the total indebtedness of the U.S. Government was approximately \$266 billion and today it is approximately \$289 billion, or roughly an increase of \$23 billion?

Mr. GARY. That is absolutely correct. At the end of 1953 the total indebtedness was \$266 billion and as of Monday, June 13, it was \$289 billion.

Mr. HALEY. The expenditures of the Federal Government in the last few years have increased approximately \$15 billion a year. We hear much of the fact that this is because of the rise in the cost of national defense, yet in 1952 the defense budget of this Nation was approximately \$40 billion and today it is still approxi-

mately \$40 billion, so the increase in the expenditures of this Government has been in domestic programs, not for the defense of this Nation.

Mr. GARY. I think that is correct.

Mr. PASSMAN. If the gentleman will yield further, the gentleman was chairman of this subcommittee for a number of years, and he has consistently defended the concepts of the program from its inception. Is that a fact?

Mr. GARY. Yes.

Mr. PASSMAN. Is it not true that we have heard the same charge every year when we endeavored to make some adjustment in the bill, to the effect that we were wrecking the program, but in subsequent years those charges were proved unfounded?

Mr. GARY. That is absolutely correct.

Mr. PASSMAN. Does the gentleman believe there are adequate funds in every respect in this bill to protect our military assistance program?

Mr. GARY. There are ample funds in this bill to protect not only our military assistance program but our entire foreign aid program. I want to say that the gentleman from Louisiana, the chairman of our committee, is one of the best informed men in the Congress on this program. No one has worked harder than he has to obtain the facts concerning the program. Notwithstanding the fact that he has voted against the program in the past, I think he has bent over backward at all times to be fair. Certainly he has in this bill.

I say to you I would not support the amount in this bill if it had not been for the U-2 incident and for the failure of the summit conference, because I would consider it too high. I had hoped that we could cut this program to \$3 billion and possibly to \$2,500 million, but after the U-2 incident and the failure of the summit conference I felt that we ought not to take any chances. We have taken that into consideration, and it is my honest opinion that the bill is adequate.

Mr. FORD. Mr. Chairman, I move to strike out the last word.

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, the pros and cons of this amendment, and this problem, have been well discussed, but I believe at this point it might be proper, and I hope helpful, to take up several points that, in my opinion, need reemphasis. Our distinguished chairman of the defense subcommittee, a man for whom I have the highest personal regard, in effect, has made the point that if we are wrong in this figure of \$1.6 billion for military assistance, we should not be concerned because the other body might protect us from our failures and come up with a figure more nearly accurate and right. There is logic to that point of view providing precedent indicated that they would make a change upward in these figures. The facts are for the last 2 years they have not. For the fiscal year 1959, we recommended and approved for military assistance a figure of \$1,515 million. The other body ap-

proved exactly the same figure. That was 2 years ago. For fiscal year 1960, the House approved a figure of \$1,300 million. The other body approved an identical figure. The point is we cannot expect that the other body will rescue us if we have made an error. My point is, first, that we should have the higher figure, based on military considerations. Secondly, the precedent establishes beyond any doubt that they will not go beyond what this body does in this area.

Mr. Chairman, earlier this afternoon, the distinguished chairman of this subcommittee, the gentleman from Louisiana, made a point that under the law it was possible to transfer \$259,980,400 from various appropriations to supplement the military assistance account providing the figures in this bill were approved and became law. I wonder if my distinguished chairman is advocating that these transfers be made, if this is enacted into law? Is he advocating, for example, that the figure recommended, that he urged our subcommittee to approve for the United Nations Children's Fund be depleted by the transferability that he advocates and recommends? I wonder if our distinguished chairman is suggesting to the House that his figure, that he proposed we approve in this bill, for technical cooperation, can be depleted by the transfer authority that he now says exists? I wonder if he is now saying, in effect, that the figures he has recommended in all these other areas are unsubstantiated.

Is he urging that the figures he proposed be changed downward? I think the distinguished chairman puts himself in a somewhat untenable position, inasmuch as he proposed to the subcommittee these precise figures without any charge.

Yes, it seems to me that you cannot escape the dilemma by now saying we should pull funds from this pocket and put them in the other pocket. Those programs are either sound on their merits—and the chairman recommended them—or they are not, and you cannot now come up and say they are unsound in order to help out in this current debate.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(On request of Mr. PASSMAN and by unanimous consent Mr. FORD was allowed to proceed for 3 additional minutes.)

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I shall be glad to.

Mr. PASSMAN. The gentleman from Louisiana has not recommended any such procedure as the gentleman from Michigan implies. The gentleman from Louisiana is merely referring to the law and providing the recapitulation supplied by the Comptroller General who stated, and I quote:

Amounts which legally could be transferred to military assistance if there is need for it.

I am not going to violate any of my obligations or responsibilities to maintain the secrecy of the subcommittee, but the gentleman knows that some Members on his side of the aisle wanted

to cut in half the item he just mentioned.

The gentleman from Louisiana has not recommended anything such as has been implied; he is merely stating facts, and these facts are in the record.

Mr. FORD. If the gentleman is not recommending that the executive branch do this, I do not see any substance to the argument which he makes about the right of transferability.

Mr. PASSMAN. The gentleman from knows that year after year hundreds of millions of dollars of these funds are deobligated; and the gentleman knows that a lot of these programs put huge sums into what I have referred to as "phony obligations" and then come along later with deobligations. Last year \$150 million was deobligated after we went home.

Mr. FORD. Now, if I can turn to summarizing what I think is the basic justification of this amendment: Here we have a chart that shows that 9 years ago we had substantial funds in unexpended military assistance funds. This chart also shows that for the last 5 or 6 years we have made available in new obligational authority for this program of military assistance an average of about \$1,350 million. It also shows that for the same period of time we have expended for this program an average annually of about \$2.3 billion. In other words, we have been spending about a billion dollars more each year than we have been making available in new obligational authority. We have been able to do that for one concrete reason, that we had unexpended funds available from earlier years. We have drawn down those unexpended funds. We have now come to the point where we have in my opinion about reached the bottom of the barrel if we are to continue this program on this level.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. RHODES of Arizona. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan may proceed for 2 additional minutes.

Mr. HAYS. Mr. Chairman, I object, and shall object to any further requests for extension of time.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion. The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with a recommendation that the enacting clause be stricken.

Mr. HOFFMAN of Michigan. Mr. Chairman, permit me to say there is no expectation that this motion will be adopted. Nor is it made solely for the purpose of getting an opportunity to speak, because unless revised, I expect to vote against the bill on final passage.

A LAUDABLE DESIRE BUT A FOOLISH POLICY—
TRIED BUT FOUND WANTING

There are two convincing reasons why this proposed appropriation should be drastically cut. There is still available, unexpended, something over \$5 billion.

The program had two objectives: the economic recovery of European countries devastated by war, and making permanent our national security. The proposal to extend financial aid to European countries "willing to assist in the task of recovery" was made by Secretary of State Gen. George C. Marshall¹ at Harvard University on June 5, 1947.

The gentleman from Louisiana [Mr. PASSMAN], chairman of the Appropriations Subcommittee in charge of this bill, told us yesterday that we have, to further military and economic aid to other countries, appropriated \$100 billion. Though one of the purposes of the bill was the laudable one of aid to people less fortunate than ourselves, a justifiable desire was to strengthen and make ourselves strong from a military standpoint.

In a large degree, the first purpose, to promote economic recovery in other lands, has been accomplished—in fact, to such an extent that some of the nations we have aided are now successful competitors in the economic field.

The real purpose of the movement, that is, to purchase friendship and military aid from other countries, make ourselves secure, has not been attained. I challenge anyone to name the nation which, or the people who, when its or their own interest is adversely affected, will, to its detriment, come to our aid in time of emergency.

Much time might be used to prove that today, both economically, and militarily, we stand alone.

To demonstrate the truth of that statement, we need but to read the press, listen to radio, or watch TV, to learn that, throughout the world every nation and its people are in domestic trouble, but that in the overall picture, there is everywhere, notwithstanding our expenditure of billions of dollars, an active, strong segment of the population antagonistic to the United States of America.

The Vice President's visit to South America, Cuba's attitude toward us, yesterday's rioting in Tokyo and Japan's request that the President should not, because of the people's attitude, visit Japan, are but three of the outstanding occurrences which demonstrate the truth of the broad proposition that our foreign aid program, so far as purchasing good will or military security, has failed.

The pattern for the riot, for the seizure by the mob of Tokyo, but followed the communistic pattern pursued by Reuther in the sitdown strikes in Michigan in 1937.

The appropriation of billions of dollars for national defense, for the production of weapons is futile when we permit any organization to slow down or end production by a strike. The latest example, as shown by the press and radio, being the strike which has interfered with the

production of perhaps one of our most effective weapons, the missile.²

THE OTHER PHASE OF THE PROBLEM

The objective of charity and faith, our laudable desire to help others, has been remarkably successful, but, unfortunately and unanticipated, to our own detriment.

Again, a book might be written demonstrating the truth of that statement.

Kindly, sensitive people and organizations, with the highest of motives, a burning desire to make all people happy and content, and strange as it may seem, certain union organizations, have advocated and have caused not only money and credit, but the know-how and technicians, to be sent to other lands to further our desire to aid.

Others have been helped, and today they not only have efficient and productive plants in countries throughout the world, but we have our own technicians, our own industrial plants producing products abroad which are returned to this country, sold in successful competition with the things made by our workers here, crowding our own products out of the market, and adding to the unemployment situation.

It is doubtful if there is a Member of this House who comes from an industrial district who cannot cite a specific example of the ruinous effect upon not only industry but employees here at home.

Such is the fact in my own district. Many, many times we have heard our Democratic colleague, the gentleman from West Virginia [Mr. BAILEY], who is so deeply interested in the people in his own district, complaining bitterly about the effect of foreign importations upon his own people.

In the brief moments allotted to me, comment cannot be made citing the various businesses and groups of individuals who have been adversely affected. Such citations are not necessary for they are a matter of common knowledge.

Today, as since the beginning of civilization, we can find and, if we choose, name individuals and groups who, unaware of the ultimate result, in an attempt to further their own interests, are following a course which will either bring us war or destroy us economically and impoverish us individually.

¹ Washington Star—June 4, 1960:

"STRIKE CALL HITS MISSILE BASES

"SAN DIEGO, CALIF., June 4.—Convair machinists have called a strike at midnight tomorrow at Cape Canaveral, Fla., Vandenberg Air Force Base, Calif., and other key U.S. missile bases.

"Exactly what the effect will be remains to be seen.

"The International Association of Machinists called the strike yesterday after turning down Convair's second contract offer.

"Work at two other big Convair plants in San Diego will be halted Monday. The stoppage will halt work on Atlas intercontinental missiles and Convair's new 880 and 660 jet transports, and the F-106 fighter, but workers are expected back Tuesday.

"On Wednesday Convair offered 27,295 machinists an 11-cent wage offer, and the union turned it down."

² On Dec. 8, 1945, General Marshall told us he did not know where he was on the evening of the 7th when the Japanese struck Pearl Harbor.

It might be added that it hurts to find myself in opposition to my very good personal friend and adjoining political neighbor from the Fifth District of Michigan [Mr. Ford], and I am very, very sorry I cannot go along with him. But I cannot vote to continue to give billions to other countries while we fail to meet the needs of our own people. I have somewhat less regret to find myself in disagreement with our minority leader because he lives a little farther away.

Let us by all means strengthen our own national defense, not by bases and airfields in other lands, which Russia has already told us will not be permitted to be used for observation and which, in case of war, will be used by our enemies; not by dollars which will be used in other countries for the production of war materiel, but here at home, in the production, through scientific aid, of the most improved defensive, destructive weapons; make our country, if that is possible, impregnable to the assault which any nation or group of nations may be either foolish or ambitious enough to make.

A more worthwhile, a clearer, more convincing statement will be found in an editorial in yesterday's Chicago Tribune, which reads as follows:

IRONIES IN FOREIGN AID

The House Republican policy committee, consisting of 30 gentlemen supposed to be the brains of the minority, has found a cause to fight for, and guess what it is. It's restoration of cuts in foreign aid voted by the Democratic majority of the House Appropriations Committee.

The Republican President asked \$4,175 million in foreign aid funds. The Appropriations Committee decided to trim that request by \$790.5 million. The committee adopted the recommendations of a subcommittee headed by Representative PASSMAN, of Louisiana, a Democrat.

Four Republicans on the full Appropriations Committee voted against the reduction, and the Republican policy committee concluded with this quartet that the cuts posed a threat to the security of the United States. Just how it was not stated, for the appropriation now coming to a vote still amounts to \$3,384.5 million, to which must be added \$4 billion previously appropriated but unspent funds, making the total available for handouts abroad \$7,384.5 million.

The Republicans who see the national security imperiled do not, curiously enough, urge full restoration, but feel that if \$250 million of the \$790.5 million reduction is put back in the appropriation, then the country will be safe again. Judgments of such refined character disclose shadings of understanding which will elude most citizens, for the difference either way is of slight consequence, except to the struggling taxpayers.

Foreign aid was initiated under Democratic administrations, and it used to be that the Democrats resisted cuts while the Republicans sought to obtain them. Now it is the other way around. A Democratic excursion in global dogooding, which, after an outlay of some \$85 billion, has yet to prove that it is productive of anything more significant than waste, becomes a Republican article of faith. We do not get it, nor do we think will most Republican voters.

Mr. YATES. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I support this bill and I am in opposition to the pro forma amendment. I shall support the amend-

ment which was offered by the gentleman from New York [Mr. TABER] because I believe it to be vitally necessary to the interest of our Nation. I disagree completely with the gentleman from Virginia [Mr. GARY], my very good friend. I do not think that the United States of America is bankrupt. I do not think we are going bankrupt. We certainly are not going bankrupt this year and that is what concerns us now. This is a special year for the consideration of the pending bill.

Last year this bill might have been in order; the cuts, the restrictions in this bill might have been in order. But, the special events of recent days have given a new atmosphere to our relationships with the other nations of the world. This is a special time that deserves special consideration. This is a time for special action and not our usual reactions. We are threatened throughout the world by communism, and extravagant budget cutting is a luxury we cannot afford.

Mr. Chairman, whether we believe in the foreign policy of this administration or not—and I have been one of its severest critics on its foreign policy—we cannot permit the shattering of the cornerstone of our present foreign policy by passing this bill with its improvident provisions requiring the contraction of our strength. To do so would be to engage in what can only be described as unilateral disarmament. In my judgment that is the worst thing we can do at the present time.

Unquestionably there have been mistakes in this program. We have given military assistance to buttress unpopular dictatorships, and I have been opposed to such action. We have forced military assistance upon nations which could not support or completely utilize it, and I have been opposed to such actions. But the fact remains that we need this program because we have no other policy at the present time. Shall we, by passing this bill, obliterate, if you will, a working program however imperfect without having an alternative to take its place?

Mr. Chairman, we stand on the threshold of a new election. In November a new President will be elected, and whether he be a Republican or whether he be a Democrat, I think we must ask ourselves these questions: One, shall we make Mr. Eisenhower's overwhelming task even more difficult in the dying days of his tenure? Shall we contribute to a paltry inheritance of troublesome foreign relationships for the next President whether he be a Democrat or whether he be a Republican? Shall we contribute to shattering the cornerstone of our present foreign policy without having a suitable alternative, and thereby increase immeasurably the burdens which the new President will have to assume? It is true that it is our responsibility as Members of the Congress to pass upon this bill, but you must keep in mind that what we do on this bill, what the Congress does, will have a significant effect upon what the next President of the United States has to do when he takes office next January. Let us give him a program that is strong, not a skeleton of what the program

should be. Let him decide if he wants to terminate it.

Mr. Chairman, I urge opposition to the preferential motion and I urge support for the amendment offered by the gentleman from New York.

The CHAIRMAN. The question is on the motion offered by the gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

(Mr. SIKES asked and was given permission to revise and extend his remarks.)

Mr. SIKES. Mr. Chairman, I move to strike out the last word and I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. MASON. I object, Mr. Chairman.

Mr. SIKES. Mr. Chairman, I see little relationship between the cuts that have been made in the foreign aid bill and the defense of America or of the free world. Therefore, I support the committee bill and I oppose this amendment.

I believe, Mr. Chairman, if we were to adopt this amendment, we would be resigning ourselves to a continuation indefinitely of the present unrealistic world situation. Remember, there is the sum of \$2 billion unexpended in this program now. This is the so-called leadtime or pipeline money. A sum of \$2 billion is not needed now for leadtime and pipeline. Our rate of production and our rate of delivery have been stepped up materially.

The facts show this is a much greater amount of money than is necessary for an unexpended balance. Everything which is desired by the proponents of the legislation, and which it is possible to accomplish, can be achieved by the bill as written. Therefore, there is sufficient money in the program as recommended by the committee.

Mr. Chairman, an additional \$200 million will not rehabilitate a program that needs spirit and determination and drive much more than it needs money. I have heard the arguments for this amendment. I know foreign troops can be maintained at less cost than U.S. troops. I know we need allies. I am not one who distrusts or downgrades our allies. But let us look around us at what is happening. For instance, we have contributed for years to the defense of Japan. We have put nearly \$700 million into a buildup of that nation's military strength. We have helped to develop a home defense force there of 150,000 troops. Our Department of Defense says that they are good troops; they say they are well trained, that they are reasonably well equipped from American stocks. But tell me this. Where were those 150,000 troops when the Japanese Government said that they could not be responsible for the safety of our President? Where is the return on America's investment, an investment of the type which is provided for many nations in this bill, when the armies to which we contributed abroad cannot even maintain or are not allowed to

maintain order against domestic Communist disturbances?

Mr. Chairman, this is a shocking failure on the part of an ally to come through in time of need. And none has benefited more from American aid, economic as well as military, than has Japan.

American workmen and American manufacturers are crying for relief from the flood of Japanese goods which has been generated by this aid. If Japan will not use the resources built up by American dollars for the protection of America's President on a good will visit then pray tell me when will those resources be used in the common good?

In the beginning, when much of the world was prostrate, I supported this program, I felt it was necessary. But the situation has changed very markedly. Europe and the rest of the free world are generally prosperous. But they are reluctant to accept their full measure of responsibility for world peace. And I am afraid that America's leadership has lapsed into the easy habit of using dollars as a substitute for strong diplomacy.

Mr. Chairman, the evidence, regrettably, does not show that we have received fair value for the defense billions already given to our allies in this long and costly 12-year program. The record, regrettably, does not show that our allies, with but one or two exceptions, are making a substantial contribution to the joint defense effort which is in keeping with their material well-being. Percentage-wise, our defense contributions are more than double those of nearly every member of the Western Alliance.

Let us look at NATO, which has been prominently mentioned. NATO on which we have placed our major hopes, is far from being up to projected strength, strictly because of the failure of our allies to develop the pro rata forces which they agreed to contribute. In 1949 NATO commanders requested 90 divisions as a realistic force for the defense of Europe. By 1955, despite growing Soviet and Soviet satellite strength, a new figure of 30 divisions was established by Allied agreement as the irreducible minimum for NATO. How many divisions does NATO actually have in 1960? Fewer than 20. And of these, the U.S. forces are the major obstacle to enemy aggression. Our allies, who have been receiving American military aid through all these years, have not lived up to the measure of responsibility and effort to which they firmly committed themselves.

In other words, if Uncle Sam will do the job, they are going to let Uncle Sam do it.

Let us look a little further. This bill carries money for defense contributions to many small nations. This amendment would increase that contribution. Yet in many of them there is no realistic promise of effective use for the joint defense of the weapons and equipment which is given them. To arm some of them is a waste of time, effort, and money.

Let us face the fact that America's prestige has not been at a lower level

worldwide in our time. The prestige of the democracies is dropping everywhere in the face of violent and ruthless tactics by the Communists and their cohorts. But the fact that diplomacy is finding itself unable to cope with today's problems is not an argument for more foreign aid. It is an argument for a realistic reappraisal by the United States and by our allies of what the future holds.

In the meantime, how long must we invent arguments with which to excuse our allies for the lack of mutuality in this program? How long must we try to convince ourselves that there need not be a common acceptance of the need for a joint and equal sharing of the problems and the cost of defense against communism?

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. RHODES of Arizona. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, at this stage in the debate on the Taber amendment I feel it is a good idea to try to put the whole thing back into context and reconsider what we are really trying to do with the amendment.

This amendment is to the military assistance part of mutual security. Military assistance is the program by which we buy and deliver military hardware to the forces of our allies around the world. This is not special assistance, this is not technical cooperation, it does not deal with any other phases of this program; this is military assistance.

The committee has reported out \$1,600 million for this item. The President of the United States has asked for \$2 billion. The gentleman from New York has offered an amendment to raise the amount from \$1,600 million to \$1,800 million.

I want to point out to those of you who believe that anybody who offers an amendment might be a spendthrift that in the first place the gentleman from New York has never had that reputation and certainly does not deserve it, and in the second place, this is still a cut of 10 percent of the budget request of the President. In other words, if the amendment of the gentleman from New York is adopted, there will still be a cut of 10 percent. This is a pretty healthy cut, particularly in these times when we are worried and have reason to be worried about the security of the free world.

I reiterate what the gentleman from Michigan has already proved, and that is the fact that the other body does not historically raise the amount for military assistance. The amount which we pass will probably be the amount which will be in this bill when it goes to conference. As you know, there can be no raise in conference, so we will probably have only the figure as it appears when it leaves the House. As a result, I style this as the most important amendment we can possibly have.

A few moments ago, the gentleman from Louisiana, the distinguished chairman of the subcommittee, had on the rostrum a letter involving the use of local currency for military purposes. The implication was given that the

amount of \$459 million in local currency is available for the military assistance program. I think the gentleman is well aware that that amount is available only in the category of defense support. I ask the gentleman from Louisiana if that is not so.

Mr. PASSMAN. I can tell the gentleman that I am reading the letter.

Mr. RHODES of Arizona. I do not want the gentleman to read the letter. Will the gentleman tell me whether or not he disagrees with my statement?

Mr. PASSMAN. I will tell the gentleman what they said.

Mr. RHODES of Arizona. The gentleman has read the letter.

Mr. PASSMAN. Will the gentleman permit me to reply?

Mr. RHODES of Arizona. Certainly.

Mr. PASSMAN. The letter states:

These currencies make it possible for the country of origin to raise and maintain forces considered essential by the United States.

The letter was stamped "secret," and the amount is \$451 million, and that was also stamped "secret."

Mr. RHODES of Arizona. I do not yield further.

The program which we are talking about is to buy tanks, airplanes, and weapons; 90 percent of this money is spent in the United States. You do not pay for tanks, airplanes, and military weapons produced in the United States with anything but dollars. You do not pay for them in baht, or kip; you do not even pay for them in pounds or francs, you pay for them in dollars.

The \$459 million of local currency the gentleman has mentioned goes for the category of defense support. It is the second phase of defense support. As the gentleman well knows, the first phase is the purchase of capital equipment to go into these countries. This equipment is then bought by the people in the country and local currency is generated by the purchase. This local currency is available then for use in expanding the military program in the country which got the material in the first place.

Mr. TABER. Mr. Chairman, if I could have the attention of the gentleman from Louisiana [Mr. PASSMAN], is it not about time that we had some agreement as to when we would vote?

Mr. PASSMAN. Mr. Chairman, today is Friday and many Members would like to go. We have been on this amendment for 1½ hours already. I do not want to be accused of trying to cut off debate, therefore, I ask unanimous consent that all debate on the pending amendment close in 30 minutes with 30 seconds to be reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. Under the unanimous-consent agreement, each Member standing and seeking recognition to speak on the pending amendment will be recognized for 1½ minutes.

Mr. GROSS. Mr. Chairman, I yield back my 1½ minutes.

[Mr. MEYER addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. MEYER asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from California [Mr. CLEM MILLER] is recognized.

Mr. CLEM MILLER. Mr. Chairman, I take this time to ask a question that has not been covered thus far in the debate. I address the question primarily to the gentleman from Arizona [Mr. RHODES] because he came the closest to touching the subject, one which in my opinion is of very great consequence.

In all the debate yesterday and today on this military assistance program not a word has been said on the floor about the basic justification for it. My question deals particularly with the underdeveloped countries of South America and southeast Asia. Some say that we are actually hurting these countries and our own military position rather than the contrary. How do we justify this military assistance program with respect to those countries? How do we answer the allegation that the military assistance we give to many of these countries is destructive of our own best interest?

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. CLEM MILLER. I yield.

Mr. RHODES of Arizona. I regret the opportunity of not being able to explain it due to security limitations, but those are just the facts of life.

The gentleman has asked a good question and I am sure he can find the answer in the volumes at the committee desk.

Mr. CLEM MILLER. I think this is a thing which should be discussed on the floor of the House. We have had yards of figures and statistics, all begging the basic question of why we should support this program at all. I feel the Members are entitled to some justification before we are asked to vote, and fail to understand why it cannot be done in terms which do not offend security limitations.

The CHAIRMAN. The gentleman from Illinois [Mr. PUCINSKI], is recognized.

(Mr. PUCINSKI asked and was given permission to revise and extend his remarks and include a letter.)

Mr. PUCINSKI. Mr. Chairman, I have taken this time to ask the chairman of the subcommittee a question. I recently received the following letter from the Helene Curtis Industries, Inc., which, while it is not in my district, being only a few blocks away, employs many of the people who do live in my congressional district:

DEAR SIR: The Associated Press this week carried a release indicating that the Arab League has banned Helene Curtis merchandise from distribution in those countries. This action is based entirely on the refusal of Helene Curtis to terminate its business activity in Israel.

We believe this action represents a situation that is of sufficient importance to be brought to your attention and weighed in the consideration of actions and activities of our Government in its relation with the Arab League countries.

The economic effect is of little importance in this instance inasmuch as the Arab League countries represent less than one-half of 1 percent of Helene Curtis foreign business. In contrast, many times that amount of business is effected by Helene Curtis in Israel alone. However, the principle involved here is vitally important.

The documents attached are photo copies of correspondence in our files and reflect an arbitrarily menacing, discriminating procedure on the part of the Arab League. We recognize full well the sovereign rights of these and other countries to handle their internal affairs as they see fit; however, the matter becomes more pertinent and immediate when such action is taken by countries which are now receiving aid from the United States and expect to receive further aid in the future. Helene Curtis, through its payment of taxes to the U.S. Government, is, therefore, aiding these countries to specifically discriminate against its ability to engage competitively in foreign commerce.

The file of letters attached represents correspondence with our distributor in Amman, Jordan, and has been repeated with our distributors in Beirut, Lebanon, and Cairo, Egypt, as well. Accordingly, we are, effective as of this date, removed from any opportunity to engage in business in the Arab League countries. We, obviously, have not the slightest intention of severing our business relations with our representatives in Israel.

We respectfully request and urge that a strong protest be made to the Arab League countries to the end that this discriminating action is lifted and our orderly conduct of business can continue in those countries. Your early attention and reply will be appreciated.

Very truly yours,

HELENE CURTIS INDUSTRIES, INC.,
GEORGE M. FACTOR, Vice President.

I should like to ask the chairman whether or not in this appropriation there is American financial assistance in any form to the Arab League.

Mr. PASSMAN. The answer is "Yes."

Mr. PUCINSKI. That being true, Mr. Chairman, it seems to me that there is something tragically incongruous when we permit a recipient of our generosity to retaliate against an American firm, an American manufacturer employing American citizens, because this American firm happens to do business with Israel.

I have asked the State Department to protest this unprovoked discrimination against an American manufacturer by the Arab League. It is inconceivable to me that we Americans can tolerate this conduct by the Arab League. If we fail to protest this conduct and silently accept such conduct by the Arab League, we are laying the foundation for a principle in international trade which ultimately could have devastating effects. Israel is one of our most reliable allies. If the principle of boycotting American firms because they do business with Israel—or with any other country for that matter—is permitted to continue, we are condoning a practice which eventually can destroy the entire structure of international trade. I hope the State Department will protest this completely unjustified practice by the Arab League. Otherwise, we should give serious consideration whether we want to continue economic or military assistance under the type of legislation we are considering today to nations which so brazenly discriminate against American manufac-

turers whose tax money constitutes a considerable part of the funds in our mutual security program.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The gentleman from Minnesota [Mr. JUDD] is recognized.

Mr. JUDD. Mr. Chairman, I am sure that each person's vote on an amendment like this depends, first, on his own estimate of the seriousness of the world situation we face; and, secondly, on his estimate of who knows most about the situation and what is necessary to meet it successfully. In short, whose judgment is likely to be soundest? Whose advice are we to take?

We recently passed the Defense Department appropriation bill and we were assured here that the amount in it was adequate for our own Armed Forces. I understand that in view of recent events in the world the appropriate committee in the other body has increased our amount by a little over a billion dollars.

Our own Chiefs of Staff who are administering the military assistance program say that it is just as essential to our security as are our own Armed Forces. Yet, just when the other body increases our estimates for our own forces by more than \$1 billion, we are here being urged to make a cut of \$400 million in appropriations for military assistance.

Now, am I to take the judgment and advice of Members of Congress however sincere, dedicated, devoted, and conscientious they may be, or am I going to take the advice, especially in this time of crisis, of those who are charged with our defense, and who know most about it? When they tell us this is just as essential to our security as are the appropriations for our own Armed Forces, I for one am going to take their advice. I am not willing to take responsibility for weakening my country's defenses.

We have heard today a lot about waste. We have considered this whole important and difficult question in the Foreign Affairs Committee, and we estimated 2 or 3 years ago that all the programs about which there were complaints at that time amounted to less than 4 percent of all the programs under the mutual security program. I wonder how many efforts by any government anywhere have a lower percentage of questionable projects.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CURTIS].

Mr. CURTIS of Massachusetts. Mr. Chairman, I should like to take a moment to answer a question that was raised a few minutes ago about the effect on economies of other countries of this military assistance. I do not think it is violating any secret information to say that a major percent of the military assistance goes to countries on the perimeter of the Soviet bloc nations.

Let me mention one other point. We read every day in the papers the criticism that the defense of our country is not being adequately maintained, that further funds are needed. An amendment has received support in the Senate to provide \$3 billion in additional funds. It is inconsistent, in my opinion, now

to cut down on military assistance when all of the testimony is that military assistance is just as valuable to our own defense as is the money provided for our own Defense Establishment.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Massachusetts. I yield to the gentleman from Minnesota.

Mr. JUDD. I thank the gentleman. It was figured out 2 or 3 years ago that all the programs about which there have been complaints of waste and grave mistakes are less than 5 percent of all the programs being carried out. But suppose it is 10 percent of the programs that do not succeed. Let us not forget the 90 percent that succeed. I have never known of a surgeon who could operate without losing some blood. He can avoid such loss of blood only by not operating at all; he will then just lose the patient. It is not possible to carry on a program like this, trying to save a free world, without some waste and without some mistakes being made. We must do our best to hold them to a minimum and this amendment, if adopted, still leaves a cut of 10 percent, as the gentleman from Arizona pointed out. Let us keep our attention on the 90 percent that are succeeding and that are essential to our own defenses.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. WAINWRIGHT].

(Mr. WAINWRIGHT asked and was given permission to revise and extend his remarks.)

[Mr. WAINWRIGHT addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York [Mr. TABER]. I cannot stress too emphatically that the failure of this amendment will mean the weakening of the NATO.

I should like to mention the fact that military assistance to NATO countries, including Greece and Turkey in this program, amounts to \$740 million. To the European NATO countries alone it would include \$459 million, which earmarks for infrastructure \$90 million; the weapon development program, \$40 million; the international military headquarters, \$11 million; weapons production, \$39 million; and the science program, \$1.2 million.

I do want to say that I feel we are spending too little on the production of conventional weapons. The importance of the manufacture of these weapons by our allies is most important to us.

In this program, Mr. Chairman, may I say that six European nations have agreed to buy about \$400 million worth of weapons from the European Producing Agency. This Agency will produce the antiaircraft Hawk and the Sidewinder missiles.

I cannot emphasize enough the fact that there is not sufficient money in this program, there is not enough money in the pipeline, and I hope that every

Member will support the amendment offered by the gentleman from New York.

I hesitate to repeat but our military assistance under the bill is an integral part of our national defense.

First. Any reduction in military assistance program falls most heavily in the area most critical to NATO—force improvement and modernization; this means NATO will bear the brunt of the cuts.

(a) Of the \$2 billion requested for MAP for fiscal year 1961, approximately one-fourth goes for relatively fixed charges such as infrastructure and international military headquarters. Little can be shaved off in these areas.

(b) Six hundred and fifteen million dollars is planned for force maintenance. Little or no reduction is possible in force maintenance since commonsense dictates that forces which we have equipped and trained at great expense and effort be kept in a good state of repair and readiness.

(c) Any cuts made will therefore be largely from the \$865 million for modernizing existing equipment and setting up new units and installations.

Approximately 80 percent of any cut would be taken in this area. Such a cut would proportionately reduce funds for missiles, electronics, modern aircraft and ships, tanks and combat vehicles, construction at missile bases and so on, which are vital to the effectiveness of forces allied with us, especially those of our NATO allies.

The \$300 million cut last year resulted in postponement of much essential force modernization in NATO countries.

Second. We recognize that European countries have made a remarkable recovery since the end of the war.

Restoration of a viable economy was the objective of the Marshall plan, and we are most gratified that it has been successful.

Evidence of this is found in the increasing number of countries able to meet their own military requirements and in the increasing contributions European nations are making to aid projects for underdeveloped countries.

Third. This economic progress, however, should not lead us to the false conclusion that European countries are in a position to assume all the costs of modernizing their military establishments.

(a) European countries, despite enormous strides, have to build their defense forces on a much narrower base than does the United States. The average per capita gross national product and level of private consumption is about one-third that of the United States.

(b) Total tax receipts of European NATO countries represent 30.9 percent of gross national product as against 24.9 percent of gross national product in the United States.

(c) Although average defense expenditures in European NATO countries are 5.6 percent of gross national product as against 9.7 percent in the United States, the lower average income and higher tax rates in Europe make the defense burden borne by the average European heavier

than that borne by the average American.

Fourth. Despite the foregoing, the United States has urged in NATO forums and bilaterally that European NATO countries assume a larger share of the common defense burden, and they are doing so.

(a) In 1953 the United States was bearing 28 percent of the European defense burden; today we are carrying only 8 percent.

(b) Defense expenditures of European NATO countries rose from \$12.2 billion in 1958 to \$13.6 billion in 1959, an increase of 11 percent. Present indications are that they will rise to \$14.2 billion this year.

The Netherlands has planned a 9-percent increase in its budget for 1961; the United Kingdom has announced a 7.6-percent increase; Belgium and Italy are making increases of 3 and 4 percent, respectively.

Fifth. Even these increases in European defense budgets fall far short of what is required to provide General Norstad with the modern forces and equipment he requires to defend Europe and the United States.

New weapons are fantastically expensive to develop and produce and beyond the means of most of our European NATO partners.

Any cuts in the MAP will dangerously retard the modernization of General Norstad's forces and deprive him of the barest minimum of modern equipment needed in the European area, which is our own forward defense line.

Sixth. The Joint Chiefs of Staff make their strategic plans on the assumption that the United States can count on effective allied contributions made possible by our military assistance program.

The Joint Chiefs have indicated that they would not want any increase in the U.S. defense budget if this is to be made at the expense of the military assistance program.

It seems clear, then, that it is just as important to vote the full amount of the military assistance program as it is to vote the full amount required for our own Defense Establishment.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. ADAIR].

(Mr. ADAIR asked and was given permission to revise and extend his remarks.)

Mr. ADAIR. Mr. Chairman, as we look around the world today and observe the new developments in Cuba, Korea, Turkey, and Japan, we must ask ourselves whether or not this foreign-aid program has been successful. It seems to me that we in the United States have a dual obligation. We have the primary obligation to keep ourselves strong economically and militarily, and we have an obligation, secondly, to provide inspiration, leadership and guidance to those countries throughout the world that need it, require it, and want it.

We too often, in my opinion, seek to solve our problems simply by voting dollars instead of providing the guidance and leadership we ought to provide. Here is such an instance. The amount

that has been provided by the committee is adequate if wisely used. Let us, I say, keep ourselves strong here at home and not seek to solve the problems of the world by simply voting additional dollars.

(Mr. COLLIER, Mr. THOMSON of Wyoming, Mr. DORN of New York, and Mr. CANFIELD asked and were given permission to revise and extend their remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, the debate on the mutual security appropriations bill makes it eminently clear to me that this program is in need of an agonizing reappraisal, as I have contended repeatedly for the past 4 years. It is most unfortunate that every taxpayer in this country could not have heard the debate which brought forth the findings of committee members who spent countless hours in studying the use of these funds, not only through departmental reports but from their on-the-scene investigations in recipient foreign countries.

There are those who have expressed their ardent support of this program because they feel that its purpose is lofty in ideal and principle. While that may be entirely true, we who are charged with the responsibility of legislating must certainly go to the core of every appropriations bill and exercise the power and authority invested in each of us in remedying waste and inadequacies.

During the years I have had the privilege of serving in the Congress of the United States, evidence of great waste in this program has been presented to each of us. Yet, while we are expected to blindly, perhaps, approve billions in appropriations, we are actually left with no real authority to see that those administering the program are doing the job intended to be done. Neither are we given an opportunity to vote funds for the various phases of the mutual security program on a discriminating basis. Instead, year after year we are presented a bill calling for astronomical sums of funds tightly packaged into a single measure of legislation, embracing military, economic, and technical assistance in round sum figures—and offered on a take-it-or-leave-it basis.

Apparently many of those in charge of administering the program feel that it has become one of the many "sacred cows" which provide Members of Congress with no alternative but to vote the funds or be charged with an attitude of indifference toward our national security. We are obliged, in the name of preserving freedom and democracy, to vote funds for a Communist Yugoslavia and contributing to Communist-dominated Poland. We are told today that our contribution of funds to Japan, for example, must be kept a secret, even from Members of Congress. And there are other areas of assistance which are cloaked in complete secrecy.

I ask you, are we responsible if we legislate the expenditure of tax funds in a bill that is punctuated with blind spots as is this one? Are we responsible if

we approve increased expenditures of funds while evidence of waste is right before us?

We were told in years past that we should grant assistance until certain nations were able to build their own economies through a favorable trade balance in the world. Yet we have witnessed in the past year a trade deficit with Japan and a net trade deficit with all of Latin America. And if we exclude the shipment of surplus agricultural commodities last year, we find ourselves with a trade deficit with Europe.

We have evidence that under the military assistance program in one nation we supplied two jet fighter planes for each pilot capable of operating this equipment in that country. Other examples of waste too numerous to mention at this time have been laid before us without dispute, even from the strongest proponents of this program.

National security, even when it is called mutual security, is not a one-way street. It is built upon the foundation of a sound financial system and such programs as can properly justify the faith and the confidence of the American people.

It is no secret that today the United States of America is burdened with a staggering debt which exceeds by billions of dollars the total indebtedness of all of the other nations of the world, including the Soviet Union. It is no secret that today our gold reserves stand at about \$19 billion, with demandable securities requiring some \$13 billion of this amount. Our foreign dollar credits stand at approximately \$18 billion. Hence, if they should decide to call the gold for these dollar credits, which they certainly could do, the value of our dollar could become all but worthless.

The present mutual security program employs 44,000 people, plus 10,000 trainees scattered across 77 nations of the world. In view of the record, who is prepared to believe that a reappraisal of this personnel would not result in savings of the American tax dollar without reducing the effectiveness of the program?

There are those among us who apparently feel that it is their responsibility to simply approve the appropriations requested and trust that the waste and inefficiency will be cured by time and understanding. Is it not true that certain of those administering the program testified that they had not bothered to give any particular consideration to the recommendations of the Committee on Appropriations, where such recommendations were directed to a more efficient procedure or limitations on the spending? Certainly we cannot assume that Congress should not have some authority or control of any funds which it is obliged to approve, nor can we assume that this program has sprawled in so many areas that there are points of no return. It is not for me to question the judgment of those who feel that we must go on with this program as we have in the past for an indefinite period. Neither is it for me to question their judgment as to whether the future will disparingly prove that this program was a noble

effort which failed to accomplish its purposes, or whether it will enhance any desire on the part of our allies to seek out a free way of life or, for that matter, to even keep some of the neutral nations status quo in this cold war.

Instead, I contend from my personal viewpoint that, unless we do meet the problem squarely, we can look for little more than its ultimate collapse under its own weight. The decision that must be made, particularly at a time like this, demands a great deal of soul-searching. Yet it does not relieve those who share the same deep reservations as I of our task of being practical and responsible legislators.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, I rise in support of this amendment to restore these funds to the military assistance program. Failure to restore them would, in my opinion, be contrary to the best interests and the security of the United States.

As a member of the Defense Subcommittee of the House Appropriations Committee, I am particularly aware of the importance to our overall defense program of the forces that would be affected by this cut. I am convinced that these cuts, if not restored, would seriously weaken the defenses of this country and of the free world. The President and all of our military leaders who I have heard testify or with whom I have discussed this are of this opinion. Under these circumstances and with world conditions as they are today, I support the amendment to restore these military assistance funds.

With these forces being an important portion of our defense program, they must be maintained at adequate strength and equipped with modern weapons so that they can make a full contribution of our overall deterrent. As has been pointed out by members of the subcommittee which considered this bill, this cut in appropriations goes too deep and unless restored, would have serious consequences. Without these funds, some of our allies who have proven themselves to be most effective cannot possibly maintain their forces at anticipated levels. Many of these countries have common borders with the Sino-Soviet bloc. Furthermore, the cuts, if allowed to stand, would seriously impair the effectiveness of the NATO alliance. This would be particularly serious because it would deny to these forces the modern weapons essential for a maximum contribution to providing the necessary deterrent. The testimony clearly indicates that the funds eliminated must necessarily be taken from funds to provide to NATO missiles, electronic equipment, and other modern weapons.

Under these circumstances, I support the restoration of the funds as provided in this amendment.

I have consistently and vigorously objected to the inclusion of both military assistance and foreign economic aid in the same legislation. That they are considered together again this year presents an even more difficult situation and

one which, in my opinion, is unfair to the membership of the House. This confuses the issue and denies to many of the Members of the House, including myself, the opportunity to vote our true convictions.

I have consistently supported the military assistance program, and will continue to do so as long as it is kept on a sound basis.

In spite of my support for military assistance, I have consistently voted against this appropriation because of my strong objections to a major part of the foreign economic aid portion of the bill. I am fully aware of our obligations as a leader of the free world, particularly as far as assisting the underdeveloped nations. To accomplish our objectives, however, and in fairness to the American taxpayer, any assistance should be placed on a sound loan basis. We cannot expect to run a welfare program for the world.

The present program builds bureaucracy at its worst.

Rather than this, countries desiring assistance should send their Ben Franklins to us. We should carefully examine the proposals to know that they are sound and will accomplish their objectives. The program should be designed to encourage these countries to stand with us, rather than to continue to lean on us.

Furthermore, a sound foreign trade policy must be developed as a condition precedent. In fairness to American laboring men, businessmen and farmers, we cannot continue to permit their taxpayers' dollars to be used to build production facilities abroad, and the products thereof to be exported to this country in unlimited quantities. To permit this further detracts from the accomplishment of our objectives. These products are needed in those countries to raise their standard of living. What we are trying to do is to raise the standard of living of these countries, not to lower our own.

I believe that further cuts should have been made in some of the nonmilitary programs. Others, I believe, should be entirely eliminated. The whole program should be reoriented. The bill will pass. To voice my protest and convictions on the foreign economic aid, I will vote against it on final passage. I will support amendments to cut these programs.

I do, however, believe that the military assistance funds should be restored as proposed in this amendment, and I urge its adoption.

The CHAIRMAN. The chair recognizes the gentleman from New York [Mr. DORN].

Mr. DORN of New York. Mr. Chairman, I support this amendment because I believe it is in the best interests of the security of our country.

Surely there is not one among us who is not fully aware of the tenor of the world situation as it is today. If anything more were needed to convince us of the necessity of adequate military assistance to our friends, we need only examine the events of the past month. Rather than cut our expenditures for

defense we should increase them. I submit that military assistance is not an altruistic move on the part of the United States, but rather one which is designed to make more secure our own self-defense. As we are able to give to our friends an increased sense of stability and self-protection, so also will we be increasing our own protection and strengthening the entire free world in their effort to achieve world peace.

The President of the United States has dedicated himself and his administration to doing as much as is humanly possible to achieve a peaceful world. The President is also well versed in what is necessary in the way of military strength to maintain peace. I believe the record will show conclusively that the President is also economy minded. It is for these reasons that I believe he has requested the least possible amount which would be commensurate with our national economy, to achieve the most in the way of national defense.

It has been brought up that one of the reasons for the cutback on the President's request is the size of the unexpended balances of previous years. Yet the military cannot develop new arms, new defenses and new methods and provide these modern armaments to our friends in a matter of 2 weeks, or 2 years. The very logistics of the situation demand that the military remain unshackled in its ability to do this. No men have been better trained in the knowledge and the needs of armed forces for the protection of our own country and of the free world than those who have dedicated their services to the military forces.

So I say to you, in the name of national defense, world defense, and our peace of mind, we should adopt this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, millions of free people at home and abroad and millions of others who yearn to be free in Soviet-dominated lands are concerned about what we do here in this Chamber today.

Deeply concerned here at home, of course, are our President and Commander in Chief, the Joint Chiefs of Staff, our Supreme Allied Commander in Europe, America's industrial leaders, those who head the AFL-CIO representing our workingmen, our veterans and patriotic organizations, women's clubs and voters leagues, who have spoken out most strongly for restoration of cuts in the programs.

I am retiring next January after many years of service in the Congress. I am not running for reelection. But if I were, I would be doubly anxious to vote right in this hour and I shall tell you why.

The state of the world is such that we cannot gamble and there is still fresh in my mind that day right here on this floor 3 years ago when we had up for debate and vote the defense appropriation bill which had been cut \$2 billion by the House Appropriations Committee. Projecting the bill on the floor, members

of the committee boasted that every phase of the military program in the bill had been cut, including missiles.

I was among those who protested in committee and on the floor and I was permitted to make the recommittal motion calling for partial restoration of the extraordinary slash. The motion was defeated in a record vote and the bill was passed.

What happened? The aftermath was both revealing and startling. Within a few months the Russian sputnik hit the skies and you will never know the number of Members who rushed to the records to check on their votes on the defense appropriation bill.

No one can deny that there has been maladministration and waste in the mutual security programs and in this respect committees of the Congress failing to pursue proper policing of expenditures are partly responsible. Furthermore, the charge made by the distinguished chairman of the subcommittee that the larger programs embraced in the bill never had the "best kind of administrators" can be well supported. Most certainly the answer is not to kill the programs.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. GALLAGHER].

Mr. COFFIN. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Maine.

Mr. COFFIN. Before the gentleman begins, may I just urge my colleagues on our side of the aisle that under the circumstances that face us today, if they are in doubt as to this particular item, the course of prudence is to err on the side of caution.

I cannot stress too strongly the necessity to back this limited restoration of this part of the program.

Mr. GALLAGHER. Mr. Chairman, I should like to point out that responsibility for the passage of this bill is ours and not that of the other body. I rise in support of the amendment, and should like to refer to the reasons that have been cited here today, including events in Japan, as reasons to abandon the program. They are reasons for us to rededicate ourselves to the program so as not to play into the hands of the people who caused these events in Japan.

I hope that we will recognize our own position and be responsive to the national purpose, as the opponents of the program have suggested. The national purpose is to recognize our responsibilities and obligations. Certainly we must rely on our Government, the people in our Government who have provided us with the facts. And, I might say, as a member of the Committee on Foreign Affairs, that we have been awakened to our needs. I sincerely urge the passage of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. HORAN].

(Mr. HORAN asked and was given permission to revise and extend his remarks.)

Mr. HORAN. Mr. Chairman, I was one of those who voted against this

amendment when it was offered in the full committee last Friday. I was against it because I thought there was too much waste and there were too many unnecessary projects in this program. I trust that this debate which I think has been intelligent and has shown sincerity on both sides, will serve notice on the administration of this program that they must clean up those places that need to be cleaned up.

Mr. Chairman, the events of the week-end and the current situation have caused me to change my mind and I will vote for this amendment simply because I think that the administration, not the Congress, has the great responsibility that exists in the world right now. I would be remiss in my obligations as an American if I took any tools from the hands of those who have the great responsibility in this year of our Lord, 1960.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CONTE].

(Mr. FORD and Mr. TABER asked and were given permission to yield their time to Mr. CONTE.)

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, I rise in support of the amendment to the military assistance program. As the gentleman from Michigan [Mr. FORD] so ably brought forth yesterday, the pipeline of the military assistance program in the last 7 years has gone down from \$8 billion to an unexpended balance of \$2 billion at the present time. We are scraping the bottom of the barrel, and at these times of world tension and unrest the military assistance pipeline has reached a most dangerous low level.

Mr. Dillon, in answer to a question propounded by the chairman of our subcommittee, page 179 of the mutual security appropriations hearings for 1961 stated:

It costs us about 1.2 billion, something in that neighborhood, merely to maintain the forces that are presently in the field, such as the Korean forces, so if you were to cut sharply below that level it would mean that these forces would have to be disbanded and that would certainly sharply impair our national security position.

Any cut between roughly the \$2 billion level and the \$1.3 billion level would come out of modernization.

Mr. Chairman, Gen. Lauris Norstad, supreme allied commander, European Department of Defense, concurred in these statements made by Secretary Dillon. General Norstad, in answer to a question on whether our military assistance has paid dividends in Europe, said on page 515 of same hearings, "in 1951, the question was not whether there will be a war. The question then was what month of this year will the war start? I would like to point out that in 1960 no one in his right mind asks that question. This is a tremendous change. This change can be credited to the fact that we have faced up to the Soviets, we have shown our determination to resist them, and then we have systematically created some reasonable strength with which to confront them. This has given substance to our words, so this has meant in

my judgment a better place to live in at least for 10 years, an increasingly better place to live in for 10 years. It has contributed to the prevention of war in that period, and it continues to be necessary for those same reasons."

Mr. Chairman, because of my deep concern over the \$400 million cut in the military assistance program, I wired General Norstad in Paris last Friday morning and asked him what effect the \$400 million cut would have on the military assistance program in NATO. I would like to read General Norstad's answer which I received Monday morning:

Conclusions in your wire essentially correct. Since any significant reduction in funds available for the maintenance of required forces would soon be reflected in the loss of some part of those forces as effective combat elements, nearly all of cut would have to come from force improvements. On a straight percentage basis, our computations indicate that a 20 percent cut in fiscal year 1961 worldwide MAP would result in reducing funds available to NATO for force improvement by \$235 million.

To effect a cut of such magnitude on the NATO program would mean an approximate 50 percent reduction in all modernization proposed in the fiscal year 1961 MAP, primarily aircraft, missile systems, and advance weapons. Of the \$271 million remaining for force improvement, approximately one-half is required to support previous U.S. Government commitments for the Nike, Honest John, and other advanced weapons systems and, in addition, certain advanced naval weapons, all required to strengthen NATO defense. The balance of \$136 million would have to be redistributed to support the other force improvement requirements which under the fiscal year 1961 MAP require \$371 million. This would mean that serious cuts would have to be made in electronic ground environment for NATO air defense, advanced aircraft, other modern aircraft, missile systems, and other modernization.

During my appearance before congressional committees in March of this year, I emphasized my belief in the principle that our NATO allies should contribute their fair share to the common defense effort. Those NATO countries that have the ability are assuming—I repeat, they are assuming—a larger share of the common defense responsibilities. On the other hand it was emphasized—and I repeat now, it was emphasized—that the United States must continue to provide a major contribution to the provision of necessary advanced weapons and to force improvement. In this connection, a fact to be remembered is that almost all of this modern equipment comes from American production.

Without the weapons systems, without the other force improvements proposed in the fiscal year 1961 MAP now being considered by the Congress, increasing obsolescence will mean that we cannot even maintain the level of strength and effectiveness which obtains today. Considered in the context of our times, surely our policy must be one of maintaining a sound and strong defense posture. To this posture, NATO makes a most essential contribution.

With warm regards,

Sincerely,

LAURIS NORSTAD.

I believe we would do well to pay heed to General Norstad's advice. I am sure that all will agree that General Norstad is in a position to know the problems confronting the United States and the other NATO countries. I trust that this House will see the wisdom of at least

partially restoring the cuts to the military assistance program.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. ARENDS].

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Illinois.

Mrs. CHURCH. May I say to the gentleman, even though I am a strong and honest critic of the program, that I certainly would not take the responsibility of risking the security of this country at this time, through what might in emergency prove to be inadequate military assistance to our allies. I shall vote for the amendment.

Mr. ARENDS. I thank the gentleman from Illinois very much.

Mr. Chairman, just recently this House passed an appropriation bill for national defense of approximately \$39.5 billion. Since that time by Senate action this appropriation has been increased at least \$2 or \$3 billions. No Member hesitated in any way to vote for these funds for the defense of this country. The item here today involves \$200 million compared with \$40 billion in the Defense Department appropriation bill. We are here debating whether we are going to take the chance of shortchanging NATO and others of our allies who need this military help. In passing the Defense Department appropriation bill we put our faith in whom? The Secretary of Defense, the Joint Chiefs of Staff, and in the man in the White House. I would just like to remind the membership of this House that here again we should place our confidence in the same individuals we did when we voted on the \$40 billion for national defense.

As our fine Secretary of Defense has so ably stated it:

In spending military assistance funds, it is necessary first to maintain existing allied forces in good working order and conserve the investment already made. Therefore the proposed reduction must come from cutting down on force improvement, that is, postponing indefinitely the newer weapons. Eighty percent of any cut below the budget request must be absorbed in equipment for force improvement, which includes missiles, electronic equipment, modern aircraft and ships, modernized tanks and combat vehicles, and the like.

The impact of the proposed cuts would fall most heavily on NATO, which also bore the greatest weight of last year's appropriation cut.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. RHODES].

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Chairman, this, again, is the military assistance bill. This is the part of the bill which buys the hardware for our allies around the world. The gentleman from New York [Mr. TABER] has said this is the most important part of the bill, and I do not think there is any doubt about it. I am not one to yield to other people my prerogative of decision as a Member of the House. However, all we can do in considering this type of legislation is to

look at the best opinion we have available. I merely want to read a part of this communication from Secretary of Defense Gates. It is dated June 15, 1960. In this communication, he states as follows:

The Joint Chiefs of Staff all stated that they would not take one dollar away from the military assistance program in order to augment the funds for their own services. Military assistance is just as much a part of our own national defense as are the appropriations for our Army, Navy, Air Force, Central Intelligence Agency, and the Atomic Energy Commission.

Mr. Chairman, I ask that this amendment be adopted.

Mr. BOLAND. Mr. Chairman, I rise in support of amendments to restore cuts in the mutual security appropriation bill, that will be offered by the distinguished ranking minority member of the Appropriations Committee, the gentleman from New York [Mr. TABER], and the gentleman from Michigan [Mr. FORD]. I will also support the amendment of my colleague, the gentleman from Illinois [Mr. YATES], to strike from this bill the prohibition of U.S. contribution to the Indus River Basin project.

SUPPORTS TABER AMENDMENT

The Taber amendment would restore \$200 million for military assistance. The bill recommends \$1.6 billion, a reduction of \$400 million below President Eisenhower's request of \$2 billion. Military assistance is an essential part of the American national defense program. A \$400 million cut will fall with the most damaging effect on one of the greatest needs of our common defense program: the modernization of equipment of our major allies, particularly in NATO, but also in the Far East. If we do not restore these funds we will lose ground already gained with great expense and effort in building up the strength of our allies. We will also be compelled to reduce modernization programs. The money is needed to supply allied forces with advanced weapons, missiles, electronic equipment, high performance airplanes and ships, tanks and combat vehicles. Most of this materiel is of such an advanced nature that only the United States can supply it. Our allies are not equipped to make it themselves.

SUPPORTS FORD AMENDMENT

Mr. Chairman, the Ford amendment would restore \$50 million for defense support. The bill appropriates \$600 million, a reduction of \$75 below the \$675 million authorization and of \$124 million below President Eisenhower's request of \$724 million.

The President pointed out in his telegram of June 11 to congressional leaders that if this cut is not restored we, the United States, would have to reduce all along the line the strength of the defense maintained by our allies in our common interest, or in order to maintain full strength in some countries, we will have to abandon or seriously limit our help to some countries. In view of the stepped-up Communist pressures throughout the world since the collapse of the summit conference at Paris, either of these courses could be disastrous for the United States and its allies.

The Ford amendment asks that \$50 million be restored. This \$650 million defense support appropriation would make it possible for 12 of our allies to maintain the strong military forces we want them to maintain and for which we provide them with military assistance. It will also make it possible for these nations to have the strength and courage to make available to the U.S. bases of critical importance to our Strategic Air Command, our naval forces, and our military power generally.

The importance of these countries is apparent from a glance at their locations on the map. These nations—Greece, Turkey, Iran, Pakistan, Thailand, Laos, Cambodia, Vietnam, the Philippines, the Republic of China—Formosa, and the Republic of Korea—are on the very borders of the Soviet Union and Red China. Together they provide nearly 3 million armed forces. They are in the most dangerous positions of all our allies.

The 12th nation, Spain, a little more distant from Communist power, helps the United States in the vital role of providing us with most important air bases and naval bases. In addition, the United States has significant bases in Turkey, Greece, Korea, and the Philippines. The restoration \$50 million in defense support funds is all that the Ford amendment asks. This is a minimum request and the Members should support the amendment. We all heard our colleague, Mr. RHODES of Arizona, give an eloquent, precise and lucid explanation of the necessity for this program during debate yesterday. He is to be commended for his efforts.

SUPPORTS INDUS RIVER BASIN PROJECT

Mr. Chairman, section 107 of the bill prohibits the use of funds appropriated therein for the development of the Indus Basin. I sincerely hope that the Yates amendment to remove this prohibition prevails. The provision of funds for this purpose would not only serve to contribute in a major way to the economic development of the vast subcontinent of Asia, but would also contribute materially to the improvement of relations between India and Pakistan. Only the Soviet Union and Red China could benefit from failure of India and Pakistan to settle their disputes. With this Indus River Basin settlement plan the United States is in a position to make a major contribution to world peace, to strengthen the Western orientation of nearly 500 million people and to secure the participation of other industrialized nations in the financing of the costs.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I ask unanimous consent to yield my time to the chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN] to close debate on the pending amendment.

Mr. PASSMAN. Mr. Chairman, I am not going to debate the amendment. I merely want to use this time to thank the Members for their tolerance and to assure you again that there are not only adequate funds provided, but there are funds in excess of the needs in the amount which your committee has recommended to you.

What we are experiencing today is no different than what we have experienced in the past 5 years, during which time I have had the honor of serving as chairman of the subcommittee. You have supported us in the past. Our recommendations have been sound and they have stood up.

I have stayed completely away from dealing with personalities in this debate, and I have no right to take offense because the policy committee of my friends on the other side of the aisle has a peculiar effect upon some of those who have opposed the program in its entirety in the past, but who are now supporting the proposals for increasing the funds. That is their privilege. However, so far as I, personally, am concerned, I am not going to be swayed by pressure from any point, either by the leadership or by the White House. I am going to form my opinions solely upon the basis of the facts and supporting statistics.

Now, I want to repeat for emphasis—not only has the committee recommended adequate funds, but there are excess funds. And, if you will support the committee, I say again to the Members that you will not be disappointed. When we return next year, we will be able to show you again that the committee—the subcommittee and the full committee—can be relied upon to make sound recommendations.

I thank you again for your tolerance. We have had a long session.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

The question is on the amendment offered by the gentleman from New York [Mr. TABER].

Mr. FULTON. Mr. Chairman, I ask for a division.

Mr. PASSMAN. Mr. Chairman, I ask for a division.

Mr. TABER. Mr. Chairman, I ask for a teller vote.

Tellers were ordered, and the chairman appointed as tellers Mr. PASSMAN and Mr. TABER.

The committee divided and the tellers reported that there were—ayes 170, noes 114.

So the amendment was agreed to.

The Clerk read as follows:

ECONOMIC ASSISTANCE

Defense support: For assistance authorized by section 131(b), \$600,000,000.

Mr. FORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORD: On page 2, line 18, strike out "\$600,000,000" and insert in lieu thereof "\$650,000,000."

Mr. FORD asked and was given permission to revise and extend his remarks.

Mr. FORD. Mr. Chairman, this amendment goes hand in glove with the

amendment which was just overwhelming approved by the Committee of the Whole. May I suggest that those who want a full and I think a brilliant defense of this amendment read the statement made by my colleague, the gentleman from Arizona [Mr. RHODES], on this matter yesterday. I refer you to pages 11876 and 11877. This, in my opinion, is a very excellent presentation of the need and necessity for this extra \$50 million in this account.

At the outset I indicated this amendment goes hand in glove with the amendment we just approved.

Defense support provides economic assistance and budgetary assistance for 11 countries that are on the immediate periphery of the Soviet Union, plus 1 other country, Spain, where we have today 2 highly important Air Force bases and 1 vital Navy installation. This defense support program helps to provide over 600,000 Formosan or Taiwanese military forces, it assists in the implementation of the South Korea military organization, providing something like 600,000 active duty South Koreans. It also goes to support the military forces that are part of NATO in Turkey and in Greece. In other words, this defense support program to a very substantial degree assists us in providing the necessary deterrent to keep the Soviet Union and Red China from undertaking any aggressive action in a military way.

In contrast to the program that we just discussed, military assistance, where we have had an increase in fiscal 1961 over previous fiscal years in defense support, actually the defense support program is going downward. This tends to reflect that the economies of these 12 countries are improving; that they are better able to handle their own economic responsibilities.

I say to you with conviction that this figure of \$600 million that appears in the bill is too low. It is \$124 million less than the President requested and it is \$75 million less than the authorization figure which we enacted into law very recently.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Illinois.

Mr. YATES. I should like to say to the gentleman that I agree thoroughly with his position. I supported the amendment in committee and I shall support it on the floor.

Mr. FORD. I wish to thank the gentleman from Illinois. He has been most helpful in the committee and on the floor.

Mr. Chairman, I believe that this is just as important as military assistance, because if these 12 countries that are right up against the guns, so to speak, are not able to keep their troops in the field—and they cannot unless they have defense support—the whole free world military position is weakened. This additional money for defense support is absolutely essential if we are to keep these forces ready for action. We provide military equipment for them in the military assistance account. It seems that in these limited number of countries we should likewise make contribu-

tions to their economy to permit them to sustain their economy for the benefit of their forces, their defense, and our mutual security.

May I add this? In 1957 this defense support program totaled \$1,161,700,000. Even if my amendment is approved, taking the figure to \$650 million for fiscal 1961, we find that the program from 1957 to 1961 will have gone down \$500 million.

Mr. Chairman, I strongly urge that this amendment be approved.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

This item carries the label "Defense support." However, it is purely and simply economic aid, nothing less, nothing more.

I respectfully refer you to page 2206 of the hearings for a listing of the types of projects being carried on as defense support in other nations, the same type of projects which are being denied in our own country practically every time a bill which would provide them goes to the White House.

Under the recommendation of the committee \$1,358,601,000 will be available in the "Defense support" item.

In many instances in the past, they have placed funds in this economic aid program behind some type of an obligation and at a subsequent date, after we had adjourned sine die and returned home, they have then deobligated the funds and tried to find a more justified project. These deobligations for 1956 to 1960, inclusive, amounted to \$449,146,000.

The Department has been unable to justify the amount of money requested for this category. As an example of what they do, I refer you to page 2239 of the hearings, from which I quote:

Mr. GARY. Page 89 indicates you are proposing to set aside up to ——— as a cushion for China's needs for foreign exchange. * * *

Mr. PASSMAN. As a token of our earnestness.

Mr. ROSEMAN. Yes.

This is the account under which they built the road in Vietnam, the cost of which they justified at \$18,300,000, but for which there were additional contracts that brought the cost up to \$129,900,000.

If it is the desire of the House to support a program of this type, and especially for many unjustified projects then I have no alternative but to continue to do the best I can, year in and year out, to point out some of the weaknesses.

But I think I should say here, too, that all of the nations receiving aid under defense support may also receive aid under the Contingency Fund; they may also receive aid from the special assistance fund; they may also receive aid from Public Law 480; they may also receive aid from the Development Loan Fund.

They are eligible to get economic aid under every category in the bill.

Mr. Chairman, I assure you that this year, as in previous years, your committee has recommended sufficient funds to fully support this program, even at the extravagant basis upon which they are operating.

(Mr. PASSMAN asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, I move to strike out the last word.

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, reductions in defense support have been made in recent years. The committee bill proposes a figure only slightly over half the appropriation 4 years ago. The Executive has reported real possibilities of further reduction or elimination of many present defense support country programs in the next 5 years.

But we have been cautioned and must always remember that these reductions have been made possible by progress on reconstruction in Korea and Vietnam, by economic productive growth in many countries, by improving administration and tax collection by a number. We cannot for one minute let this record of progressive reduction delude us into thinking that the potential threat has lessened. There have been two constant factors underlying defense support—the character of the Sino-Soviet bloc and the map of the world. Let us look at these two.

The character of the bloc, despite zigs and zags of their talking line, has demonstrated itself in action as being one of constant readiness to exploit with force real or fancied weakness at any point around its perimeter. The record reads: Eastern Europe at the end of World War II; Iran, 1946; China to 1949; Greece, 1947; Berlin, 1949; Korea, 1950; Indochina, 1950–54; Taiwan Straits, 1958 to date; Tibet, 1959 to date; Laos, 1959; Berlin, again 1959; and these are only the highlights.

Looking now at the map, first pinpoint some of these same trouble spots—China, Iran, Greece, Korea, Indochina, Taiwan, Tibet, Laos. All are on the perimeter of the bloc and in or adjacent to countries receiving defense support assistance.

The 12 countries have and still need defense support because of their economic incapacity to support the more than 3 million men unaided, because of the ever-ready probing character of the bloc and because of the map, because they generally are exposed. Again the map demonstrates—Korea, Taiwan, Philippines, Vietnam, Cambodia, Laos, Thailand, Pakistan, Iran, Turkey, Greece. Spain is not exposed in the same fashion but has its obvious strategic importance.

I do not expect the character of the Soviet bloc to change overnight. I do not look for changes in the map. Therefore I urge adequate defense support to buoy up these burdened nations as they grow progressively more able to support themselves.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. TABER. Mr. Chairman, I feel that I must support this amendment. It provides for the maintenance of these armies in the field that otherwise we

would not have, and we need them very badly.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the distinguished minority leader.

Mr. HALLECK. When I addressed the committee a short time ago in connection with the other amendment I took occasion to refer to this amendment in these words:

To that end, I intend to support, and I urge your support for, the restoration of a substantial portion of the funds cut in committee, first, for military assistance and second, for defense support.

Then I referred to certain other amendments, but I would want it completely understood that I agree with the gentleman from Michigan when he says that defense support goes hand in glove with military assistance. Without defense support the military assistance aid we give in many places would not really be worth very much. I hope the amendment is adopted.

Mr. CONTE. I, too, Mr. Chairman, hope that the amendment is adopted.

Mr. WHITTEN. Mr. Chairman, for many years we have tried to point out many defects in the foreign aid program, not only in the handling of the program but in the overall effect in other fields.

In foreign aid, although the money returns here to add to domestic supply, the goods go overseas and with no goods to offset such funds, foreign aid is almost 100 percent inflationary. Because of the inflationary results, we see our money losing its value at a rapid rate in terms of goods it will buy. Because of inflation, our defense dollar buys about 5 percent less each year.

Because of what you give to foreign countries, it is next to impossible to hold down Federal salaries or Federal expenditures on domestic programs.

Mr. Chairman for years, our so-called military aid program has to a large degree served as an outlet for our Defense Department's excessive buying and actual waste. Where the cost is charged up to foreign aid rather than to the Defense Department, there is less pressure to hold defense spending to real defense needs.

For years our Nation has been literally going over the world asking nations to take our aid, both military and economic, with the hope, but without any real assurance in many cases, that it would in the final analysis be used on our side.

Companies have been organized and gotten rich doing this business for us, frequently without any real investment on their part. Competing businesses have been set up, whose output is now doing real damage to American industry and employment.

The real reason, in my opinion, why we cannot get together and write a sound farm program is because foreign aid, Public Law 480, prevents people from facing up to reality.

Mr. Chairman, last year, I tried to get a thorough investigation of this program. I failed. My motion was as follows:

The committee directs its investigating staff under the direction of the chairman

and the subcommittee to make a thorough investigation of all phases of the mutual security program, including but not limited to:

(1) Lack of proper planning, supervision, accounting and effectiveness of the overall program.

(2) Names of U.S. and foreign corporations, partnerships or individuals who receive profits from these programs, including the volume handled and profits made.

(3) Profits made by foreign governments.

(4) All amounts expended to promote production which is in competition with U.S. production.

(5) The amount or quantity of all equipment, material or commodities which have not been used in each recipient country.

(6) The prices at which items furnished through these various programs have been sold by foreign countries or their agents.

(7) Rates of pay of all employees engaged in this program.

This year's hearings further prove to me that this program will never be properly run until we have that information.

Mr. Chairman, all of what I have said, I have said in years past. Today I go further and say that in our reliance on this dollar diplomacy we are seriously endangering our future safety. We are through this means making enemies in many countries who will use the benefits of our aid against us when the time of need arises.

Today we will not clean up this program if we hold this item to the \$600 million, nor will we change conditions much if the amount is raised to \$650 million. It is a matter of degree.

What I would point out is that we had better hold down until we find some new approach to our foreign problems. Dollars simply will not do it. We must adopt a new policy for our own safety. Recent events in many foreign countries lead me to believe that instead of arguing about whether it should be this amount of money or that amount of money we should implore our President, our military leaders, and our leaders in Congress to take a new look and see if we are not digging our own grave through this foreign aid approach we have been following for many years.

I have detailed information from an employee of the foreign-aid group, a file at least 4 or 5 inches thick, which clearly proves we have by this means urged people throughout the world to accept our aid at times when if they had only used the materials that were already in those countries they could have saved us and saved themselves hundreds of millions of dollars; saved their own pride, and perhaps remained on our side.

Why is it that we have done that? In many instances it is because by giving such governments new aid the powers that be in some of these countries got a cut, a rakeoff, a handout, and our big business makes huge profits.

My friends, when we keep in power in any nation a government which a large segment of the people of that country do not believe in, and when it is known that it is the United States of America that keeps such government in power, the minute the powers that may be out of control do get back in, it may not be that they choose Russia instead of the United States; because they pre-

fer that but it may be that they choose the Communist bloc because of the resentment that they have against us because we kept that government in power beyond the time the local people wanted it. There have been so many examples of this. Russia appears smarter in this area than we are. Remember there is no record of Russia providing anything except through loans.

You have just adopted this military amendment. Only the year before last, we had before our Subcommittee on Appropriations for the Department of Defense a request by the Air Force to place a contract with an aircraft factory in one of our States, to provide employment, at the insistence of two U.S. Senators from that State. This plane would have had to be used in Europe because it used a British type motor. The Air Force officials in answer to my inquiry said, "Yes; we already have planes in Europe to meet our need, but if we can get these planes, we will use them there and we, in turn, can find some country which will take the planes we now have." That is a typical basis for much so-called foreign military aid.

My friends, if you analyze the foreign aid situation and look at the telegrams you get you will see they are largely inspired by the U.S. Chamber of Commerce, an organization which stands for many sound principles. In this instance, however, it is my belief that its interest comes from its members, big business which makes huge profits in this field without risk. These profits blind them to the fact that we are underwriting governments throughout the world against the wishes of large segments of the people of those countries, and in the process we are getting the people outside of control now burned up at the United States to the point that it is really serious.

Now the press and we, on the Democratic side, might try to kid ourselves into believing that all is well after the expenditure of these \$80 billion in foreign aid. All is not well. Today we perhaps face the most serious situation our Nation has ever faced, both at home and abroad. I say for us to go along with the same amount of money in support of a program which has had time to work, but which has led to our present situation, when we see what is happening in the world, I say certainly we should at least hold amounts down to the committee bill, while we make an urgent and ardent plea to the President and to the leaders of the Congress on both sides of the aisle to review our overall foreign policy.

Let us see if we are not using our dollars to dig our own graves by underwriting governments to the point, and giving them rakeoffs and kickbacks to the point, that we are inflaming many people in those areas to the extent that they will rise up and choose the Communist bloc not because they prefer it, but choose it because of the resentment they feel because we have kept in power governments that those people do not want to have. See what happened in Korea. See what happened in Japan, and in Cuba. What is really happening in Turkey?

On whose side will many of these bases be used? It is a real question.

The world situation today is certainly serious enough, after spending this \$80 billion that by all means we should slow down, look, and recognize that what we do and have done certainly has failed, and failed to the point that our situation is critical.

I hope the amendment increasing the amount will be defeated.

Mr. GROSS. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Michigan [Mr. Ford].

The Clerk read as follows:

Amendment offered by Mr. GROSS to the amendment offered by Mr. Ford: On page 2, line 18, after the figure "\$600,000,000", strike out the period and insert a colon and add the following: "Provided, That not less than \$200,000,000 of the amount appropriated in this paragraph shall be made available to the distressed areas of the less developed States of the United States including but not limited to the States of West Virginia and Pennsylvania."

Mr. PASSMAN. Mr. Chairman, I make a point of order against the amendment.

Such action as proposed is not authorized, and I do not think the language of the bill would permit this type of amendment. I was not really expecting an amendment of such type, and it caught me just a little bit off guard. However, I do not think the gentleman from Iowa really wants to press the point.

Mr. Ford. Mr. Chairman, may I be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman from Michigan on the point of order.

Mr. Ford. Mr. Chairman, I join with the chairman of the subcommittee. I want to indicate that, in my opinion, this amendment is subject to a point of order. It is not germane to the bill and it is not authorized. In my opinion, therefore, it is subject to a point of order.

Mr. Bailey. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. Bailey. Am I to understand that Members of the House representing the general public of these United States are to be deprived and excluded from being cut in on this bonanza?

The CHAIRMAN. The Chair feels that is hardly a parliamentary inquiry.

Mr. Bailey. Nevertheless, it is a question unanswered.

The CHAIRMAN. It is not one the Chair is permitted to answer.

Does the gentleman from Iowa desire to be heard on the point of order?

Mr. GROSS. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The gentleman concedes the point of order.

The point of order is sustained.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first of all, if I may have the attention of the gentleman from Louisiana, I should like to compliment him for the bill he has brought before the House even though I am op-

posed to it. Let me say to the Members of the House that if it were not for the untiring work of the gentleman from Louisiana, Mr. PASSMAN, and certain other members of his subcommittee, I shudder to think of what this bill would contain. Instead of being \$3 billion-plus, it undoubtedly would be a \$5 billion or \$6 billion bill. The gentleman from Louisiana and those who have supported him on the subcommittee and the full Appropriations Committee are entitled to the plaudits of the House of Representatives.

I should like also at this time to felicitate the gentleman from Louisiana, Mr. PASSMAN, on the occasion of his birthday.

Mr. PASSMAN. These birthdays are coming entirely too fast. For the past several years since I have been here, 14 years, I have never been able to correct it. The newspapers insist on having my birthday before I reach it.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. BASS of Tennessee. Is it not in keeping with what has been done and does not the gentleman believe it to be a fact that when the administration makes a request it is not for what they actually need but is a souped-up request, so that they get what they need in the long run?

Mr. GROSS. There is no question about it; and the gentleman from New York [Mr. TABER] recognized that in the hearings when he called attention to the asking price.

Mr. BASS of Tennessee. And also by offering an amendment to restore just half the cut.

Mr. GROSS. That is right; and on the subject of my friend the gentleman from New York [Mr. TABER], he mentioned General Palmer, General Norstad, and others in support of the amendment to add \$200 million to this bill. I never heard of a general or an admiral who ever had enough money to spend for equipment or enough men to command.

Mr. HAYS. And, if the gentleman will yield, I would just like to say that I heard General Norstad's speech again this year. I can make it better than he can, because I know it by heart; it has been the same every year.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. BAILEY. I wish to congratulate my friend from Iowa for bringing before the House and emphasizing the deplorable conditions in the State of West Virginia and certain parts of Pennsylvania. Even if we do not get anywhere with this movement, we at least will call it to the attention of the country.

Mr. GROSS. Now, I would like to cite a little past history for the benefit of my friend the gentleman from Minnesota [Mr. Judd]. I am pleased he is on the floor. Going back to the debate in April 1949, when the foreign handout bill was before us that year and when the gentleman from Ohio, Mr. Vorys, used to carry the torch for the program.

Mr. Vorys said:

Unquestionably this ECA Act last year impaired the economic stability of the United States by increasing inflationary pressures.

That back in 1949, and he was so right.

In the same debate, the gentleman from Minnesota [Mr. Judd] added this:

I said on the floor last year when we voted for the ECA bill—

As it was then known—it has had nearly a dozen different titles since its inception—

that when we voted for this ECA bill it meant voting among other things to reduce the standards of living in the United States. We knew what it meant.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. In just a minute. Then I asked this question in 1949:

I would like to ask the Members of this House what, in their standard of living, they are willing to surrender? Or is it the plan to lower the standards of living for the common garden-variety of citizen while Members of Congress merely give lipservice to such a scheme?

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman from Minnesota.

Mr. JUDD. I did say that in 1949. I expected that to happen, and I voted for it nevertheless because the security of my country was at stake. I am willing to take a little cut in living standards and pull my belt a little tighter in order to be free. Without the program adopted then, Italy would not be free today, Greece would not be free, France, West Germany, Denmark, Norway would not be free. That was the best investment we ever made. Fortunately our economy was stronger than I anticipated.

Mr. GROSS. Let me answer the gentleman. The gentleman from Minnesota surrendered nothing in his standard of living. What happened? Last year this Nation went \$13 billion in debt to keep up a synthetic economy. It is a standard of living based upon public and private debt so staggering it will never be paid, and the gentleman knows it. You have not faced up to a lower standard of living. You have been willing to pass on to the generations yet unborn the mortgages for this preposterous program of dissipating our resources in every nook and corner of the world.

Mr. HOFFMAN of Michigan. They took care of the Chinamen, all right.

Mr. GARY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not want to belabor this point, but I certainly do not want the Members to vote under a misapprehension about this so-called defense support item.

Let me call your attention to the projects in this defense support program. They are listed beginning on page 2204 of the hearings. There are three pages of them, including 190 projects scattered all over the world.

What are the projects. One is Forestry Resources Development. I do not know what that has to do with defense unless you are going to give them some trees to hide behind, but those trees will not defend them against modern weapons, I can assure you.

In addition, there is an agricultural and rural improvement program. We have been trying to straighten out our own agricultural problems for years and have not been able to do so. Now we are trying to straighten out those problems all over the world.

Another one, fisheries development.

Here is one that will appeal to my friend from West Virginia, and, by the way, these projects are listed in several places—coal mine development. As we develop coal mines abroad we have here in the United States many miners who are idle and suffering because we cannot dispose of our American coal.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to remind the gentleman that we have a proposal before the Congress now tied up in the Rules Committee asking the simple privilege of having a joint committee of four Members of the Senate and the House study our fuel situation and to make recommendations to the Congress. It is still in the Rules Committee. Yet we are doing those things for people abroad.

Mr. GARY. Here is another project, mineral development, other than coal. When we ask for hydroelectric power development in this country it is pork-barrel legislation. If we attempt to develop rivers in the United States we hear the cry "Pork barrel." But what are we doing here? Hydroelectric power development, thermal power development, power transmission and distribution. Each of these are separate projects. Next, primary system improvement. I do not know what kind of primary system they hope to develop. They do not even have elections in most of those countries and I do not know what they are going to do with a primary. But that is the project, primary system development.

Here is rural self-help. Here is an item that appears in several places: Operation Brotherhood. What that is I do not know. Brotherhood certainly is not operating in Japan today or, on second thought, maybe that is the Operation Brotherhood that we are contributing to.

Another is a census project.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. All of this information that you are giving us here just further adds to the jocular items in this program.

Mr. GARY. This is a list of the projects that was supplied at our request.

Community development. General highway improvement. Meteorological services improvement. Village health and sanitation project. Expansion of Government information facilities. Now we are even going to provide them with propaganda facilities. And, I will say this, the way our Government propaganda facilities are operating today, we can give them some technical assistance in that field, because certainly the propaganda for this program has been operating most effectively thus far. Low-cost

housing. We are even going to give them low-cost housing. Excess property—construction equipment. Now, what that is I do not know.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want to say that every statement which my good friend, the gentleman from Virginia, made is absolutely true. He was reading from the list of projects. I have the greatest faith in the gentleman and the greatest affection for him, and I know what he said is absolutely right.

Let me explain the list to you. The defense support program, as I stated yesterday, is a program by which we use dollars to buy capital equipment for these nations around the perimeter of the Sino-Soviet bloc, which were pointed out by the gentleman from Massachusetts. Now, why do we do this? Why do we use our dollars to buy capital equipment? We do it for various reasons. One of the reasons is that some day we would like to see the time when we do not have to support these nations. This will never occur until they have a reliable economy. The money which we use to buy this capital equipment, the dollars, is sent over to the nations themselves in the form of capital equipment and it is sold in that country and paid for in the currency of the country.

Now, the list which the gentleman from Virginia read was a list of projects or equipment which were purchased with dollars for the purpose of bringing economic good into the country so that they would not be in a state of inflation, when the local currency was issued to make the expenditures necessary to make for the defense of the country.

And, I just want to ask this question: Without some help do you think that Taiwan could support 600,000 troops? Do you think that South Korea could support 600,000 troops? Do you think that South Vietnam, Turkey, Greece, and Pakistan could support armed forces of the magnitude they now have? The answer certainly is, no.

The gentleman from Michigan stated that this is just as much a part of military assistance as it can possibly be. He speaks the absolute gospel truth when he says that. Now, some say it is economic aid. Maybe you can say that. However, the end product is military just as much as it can possibly be. Certainly, you could take the dollars and transfer them to the credit of country A in the defense support category and let that country do whatever it wants to do with it. These countries could buy Coca-Cola with the dollars if they wanted to. They could issue their own currency, without the necessary economic justification, and they would have the most amazing case of runaway inflation that you ever saw. So, instead of giving them the dollars, we give them the equipment to justify economically the issuance of the currency.

We give them equipment which will build up their economics and which, when they pay for the equipment in their own currency, provides a sound economic base for the issuance of that currency and keeps that country in a position where it is not and will not be a victim of runaway inflation.

Those who say that this is a large increase had better look at the figures again. The budget request was \$724 million. The committee recommended \$600 million, which is a cut of almost 20 percent. If the amendment of the gentleman from Michigan is adopted, the cut will still be in excess of 10 percent of the budget request of the President.

In the type of world in which we live, with the explanation which you have had so ably presented by the gentleman from Massachusetts as to the effect on these nations located in the soft underbelly of the Sino-Soviet bloc, this is, in my opinion, a modest enough outlay for this particular purpose.

May I say again, at the risk of being repetitious, that the gentleman from Michigan [Mr. Ford], the gentleman from New York [Mr. Taber], the gentleman from Massachusetts [Mr. Conte], and the gentleman from Arizona now addressing you have never been spend-thrifts. I do not think we ever will be. This is a matter of raising an appropriation which we think is very important up to the point where we can do the job that the taxpayers are entitled to expect. It would do the taxpayers of America no good to spend \$600 million to do three-fourths of a job when, with \$650 million, we could do the whole job.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I asked for this time in order to ask the Chairman of the subcommittee, the distinguished gentleman from Louisiana, a pointed question or two.

Is it not true that in the 1960 budget, which is the present budget, there is over \$64 million worth of items of an educational nature?

Mr. PASSMAN. That is a conservative figure. I would not be able to state the exact amount which is provided in the bill for education.

Mr. BAILEY. Is it not true that in the budget for 1961 there are items in excess of \$60 million of an educational nature?

Mr. PASSMAN. We have not actually put down in a separate column all the items for education, so I trust the gentleman will not ask me to confirm a figure which I have not personally computed.

Mr. BAILEY. Is it not also true that there are numerous other items of activity, not including educational activities, covered by this appropriation, which we are being asked by the amendment of the gentleman from Michigan to increase?

Mr. PASSMAN. I say to the gentleman that there are many school buildings in several countries, included in this program.

Mr. BAILEY. Mr. Chairman, may I say that I appreciated very much the facts brought out by the distinguished gentleman from Virginia, [Mr. Gary],

as to what is contained in this so-called defense support program, which is nothing more or less than an extension of present aid facilities already in the bill.

I noted today in the vote on the first amendment that we have some dedicated souls on both sides of the aisle, who voted to increase this appropriation to do the very things—build school buildings, pay teachers' salaries, build all kinds of highways and reservoirs, improve the water systems of these countries—who, when we want to do some of those things at home, particularly in the field of education and of low-cost housing, say that that is socialistic. Some of them even say that it borders on being communistic. I have not heard a single voice raised by any of these benighted souls today who object to spending money on such items at home, against spending on these items abroad. We have had two presidential vetoes to kill our efforts to bring some kind of economic relief to the State of West Virginia. How can we cry socialism at home and democracy when we send these funds abroad?

Today, while I appreciate his doing so, I am sure that the distinguished gentleman from Iowa meant right by referring to the bad economic situation existing in West Virginia and in western Pennsylvania.

Mr. Chairman, let me remind you that that is a serious matter. With 258,000 of West Virginia's 1,859,000 population living on surplus Government foods, with men being laid off by the hundreds and the thousands every week in the State of West Virginia, I would be remiss in my duty if I did not denounce what is going on on the floor of the House today, to do those things, to engage in those socialistic activities. I am surprised that the gentleman from Michigan, being an outstanding conservative, would want to force socialism on the poor benighted souls over in some of those undeveloped countries. That is what you are doing. If it is not good for America it is not not good for those folks over there.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. Yes; but not to get into an argument.

Mr. HOFFMAN of Michigan. I do not want to get into an argument, either. I just want to ask the gentleman if he thought inconsistency was anything new in a Congressman.

Mr. BAILEY. I guess I will have to agree with the gentleman from Michigan that quite often we do run into situations of that kind.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman was not referring to my friend from Michigan [Mr. HOFFMAN] when he was speaking of a Member of the House who was liberal with other people's money?

Mr. BAILEY. I do not know whether I can say that about the gentleman. There are a lot of things I could say about him, but I will not. I was refer-

ring to Mr. Ford, the author of the pending amendment.

Mr. HOFFMAN of Michigan. Do not say them, please.

Mr. BAILEY. Mr. Chairman, I am against this amendment.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 25 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. COFFIN].

(Mr. GALLAGHER asked and was given permission to yield the time allotted to him to Mr. COFFIN.)

Mr. COFFIN. Mr. Chairman, this amendment should be supported for the identical reasons as the amendment offered by the gentleman from New York on military assistance.

I suppose my message should be directed chiefly to those on my own side of the aisle. Ordinarily when we look at this item and look at military assistance, to us they do not always mean progress, they do not always mean an imaginative foreign economy policy. To us they are not as attractive or perhaps as sound in the long run as an intelligently administered development loan fund or as an imaginative far-reaching project such as that involving the Indus Basin, or as appealing to our hearts as the historic point IV program, technical cooperation. But I can say to my colleagues that today, in these circumstances, this amendment is as entitled to our support as is anything else in this program. I, myself, have been much more interested in the development loan fund itself.

Mr. Chairman, the development loan fund, I am sorry to say, has been cut by the committee. However, there are enough vital things for us to fight for today so that I shall make no attempt to restore at this time the funds to that important program. But, I say this \$50 million that we are seeking to restore to defense support is just as important as the development loan fund. It is like the piece of bread we give to a hungry boy to live on. The loan fund is the piece of bread we give him to grow on. But the boy needs to live in order to grow.

Another point I would like to make, Mr. Chairman, is that many of us, Democrats and Republicans alike, are concerned from time to time over our ability to wage limited brush fire war in conventional ways. We do not like to be wholly dependent on big nuclear weapons and, yet, this program of defense support with its sister, military assistance, helps provide precisely a conventional brush fire fighting capability which it would be absurd to deprive ourselves of.

Another point, Mr. Chairman, is that this program of defense support is not a ballooning, skyrocketing, ever-expanding program. This program has diminished remarkably. In 1957, only 3 years

ago, we had almost \$1.2 billion in defense support. If this amendment passes, as I hope it does, we shall be down to just about a little over 50 percent of that amount. This is diminishing every year, and we can look forward to a continuing decrease as our other programs that foster growth, stability, and long-range prosperity take hold. But, we cannot do it overnight. I think we have done enough in the years just passed. We have done enough this year, if we cut it from \$700 million to \$650 million.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONTE. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Maine.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. COFFIN. Mr. Chairman, I thank the gentleman from Massachusetts for I know he, himself, could make a valuable contribution to this part of the program as well as to other parts of the program. But, I shall not take the time of my colleagues any more than to say that the amount in this particular program in this amount is as low as we can conscientiously cut. I was amused to hear the chairman of the subcommittee, and the distinguished gentleman from Virginia, say to us that this was really economic aid—as if this were pulling aside a veil and revealing a great secret. Why, the committee report itself starts out by saying that defense support is defined as that economic assistance which is required, in addition to military assistance, in order to secure a specific contribution to the common defense, in other words, to secure a certain level of defense support.

Mr. Chairman, I thought that the gentleman from Arizona [Mr. RHODES] gave a most able discussion of defense support, its theory and how it operates. I am not ashamed at all of the list of projects to be found on page 2204 of the committee hearings. This is exactly what the program was set up to do. We can proceed to winnow our inefficiency and we are doing it. This program is coming down, but to cut it further this year is to ask for trouble.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. COFFIN. I yield.

Mr. ROOSEVELT. I am for this amendment, but I would like to ask the gentleman if he would explain briefly why the particular 12 countries have been selected as against other countries for defense support, as they are listed in the report?

Mr. COFFIN. There are two reasons. In the first place, these countries are in strategic areas around the Sino-Soviet bloc; in the second place, we give defense support only to those countries which are allied in an agreement with us. We cannot give it to countries that are not allied. If we want to give assistance to countries not so allied in treaty or pact, we do it under the form of special assistance.

The CHAIRMAN. The gentleman from Minnesota [Mr. JUDD] is recognized for 2 minutes.

(By unanimous consent, Mr. RHODES of Arizona yielded his time to Mr. JUDD.)

The CHAIRMAN. The gentleman from Minnesota is recognized for 2 additional minutes.

Mr. JUDD. Mr. Chairman, I do not think it is in our country's interest to talk much just now about the fluid situation in Japan, but the suggestion has been made here that Mr. Khrushchev's breakup of the Paris conference and the Communist-led riots in Japan are evidence of the failure of our mutual security program. On the contrary, Mr. Chairman, the Communists have to resort to these tactics because of the very success of the mutual security program, particularly the military part of it. The violent attacks on us and our President are, in fact, a tribute to the effectiveness and firmness of his leadership. They did not attack us as long as they imagined we could be deceived by their pretenses.

Mr. Khrushchev tried to take us in with his smiles. He tried to divide our allies. He tried to set the leaders and people of Germany and France against each other. He tried to separate the British from us by offering various inducements. He tried his best to whittle down our resolution to organize and lead the peace forces of the world, hoping to get us to a point where we would be willing to make innocent-looking concessions that would in fact endanger our very survival.

His effort was the old tactic of trying to divide and conquer. He did not succeed in dividing the free countries before the Paris conference.

He made a second effort; he tried to divide us from our friends and our allies at the conference by threats and abuse. Again he failed. We came out of it stronger than before, largely because of the success of our efforts through the years to build with this program a strong and united free world. It held together at and after Paris because of confidence in the leadership the United States has given.

So now he has had to change his tactics. He is making a third effort to divide and conquer, this time trying to achieve by subversion what he could not achieve by division. Subversion in what countries? The very countries around the perimeter of the Sino-Soviet bloc which defense support helps plus Japan to which most of our assistance has gone, not under this bill, but under appropriations for our own Armed Forces in Japan. These countries have had difficult times; some are newly formed and have not had enough experience and development to stand firmly on their own feet; two are divided, Korea and Vietnam; several have had exhausting wars and revolutions. It will be hard for them to pull through if we cut too deeply our assistance to their economy which enables them to maintain the armed forces they need and have.

Naturally Mr. Khrushchev is trying to upset these governments, one by one, by ordering into action the apparatus which the Communists have been building and

training in every country for years, for the very purpose now revealed in Japan.

Somebody said the United States has suffered a humiliating defeat. It is time that the Communists have won a victory in the sense that they have shown their power to subvert and their disciplined obedience to Moscow's orders. But they also have had to come out in the open and expose themselves and their true nature. It is not yet determined how it will come out. I have faith in the Japanese people and believe they will find ways, despite the democratic trappings we ourselves imposed on them, to get the situation under control. The United States itself would have suffered a humiliating defeat with serious loss of prestige only if the President had appeared timid and refused to go. That would indeed have destroyed our friends in Japan and the confidence of other Asians in us. The President has done and is doing his part. But if the Congress cuts this aid too deeply at this time, that undoubtedly will injure our position. It will seem to prove that we are what the Communists have always claimed we are—an undependable ally. Only we can administer to ourselves a really humiliating defeat and loss of face.

Actually I am less anxious about the situation in Japan today than I have been for many years. The basic situation is no worse—it is only more visible to all—out in the open where it can be dealt with more effectively. We must not be influenced too much by the lawless actions of a small minority in a country whose many millions are law abiding and our true friends.

The 12 countries we are helping under defense support are maintaining 3 million trained and equipped soldiers in the field. If you cut this fund too deeply, you can weaken their confidence, their hope, their resolution. They cannot possibly continue to maintain 3 million men in their armed forces and maintain internal resistance to Communist subversion, unless their people can also see a little economic progress, a little better standard of living, which this kind of aid makes possible. The target of the Communists is to weaken the economic and political stability of these strategic countries; ours must be to strengthen it. Defense support is essential to accomplishing that. We must not shake the resolution of the people we have succeeded in welding into a giant free world coalition. Now is the time to send them a message of hope by continuing the appropriation at a level that will hold things steady. The United States must demonstrate to all its allies that it will always stand firmly by them. We must not let a handful of Japanese radicals and their misguided associates sway us against steadfast support of the many millions in Japan and free Asia who are friendly to us, because they want to preserve their freedom and know association with us to build mutual security is their best, if not their only hope. I hope the amendment will be adopted.

Mr. HAYS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HAYS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. HAYS. Mr. Chairman, if any of you had any doubts as to why the gentleman who just preceded me was selected as the keynote speaker for a great convention, your mind ought to be at rest now. Anybody who can turn what happened in Japan in the last few days into victory for the United States ought to be a keynote speaker for all time.

I have been for this program ever since its inception. I want to talk especially to the liberals on the Democratic side. You voted to give \$200 million more for military assistance for whom? Not for our NATO allies who could use it and who have used it in the past to hold together. You have had to make an additional \$200 million available so the military can spend \$50 million in Latin America. For example, we have a military assistance group in Guatemala headed most likely by a brigadier general.

I have only 5 minutes, but let me call the roll. What happened when we crammed military assistance into Iraq? Oh, yes, the Prime Minister of Iraq and the King were our friends, but when they were dragged out, broken and nude, behind the automobiles of the revolutionaries, our millions of military defense went down the drain.

A great deal of this money, twice as much as the military assistance amendment provided and eight times the amendment you are contemplating, goes to a country which today has no government. The government was overthrown by a mob and no government exists there.

You talk about the divisions in Korea? Why, anybody in this Chamber is intelligent enough and bright enough to know that we cannot count on them in a showdown.

Where have we failed? We take a program which worked in the industrial civilization of Western Europe and we move it bodily into undeveloped countries. We gave arms to the dictators all over the world and when their people got through with them those arms did not do us any good, they did not do the people any good; they did not even do Batista in Cuba any good.

I could call the roll over and over again. The administration may come in here and change the minds of some people who voted against the authorization, but they do not have to change my mind. All I am asking them to do is to come in with an intelligent program which will improve the conditions which exist today.

Do you think we are going to keep Nigeria on our side, or the Belgian Congo, by sending a couple of generals down there and establishing a military assistance group? You cannot have military assistance without generals, you cannot have generals without a place for them to work.

I have heard the distinguished general's speech a half a dozen times, and I refer to the distinguished leader of

NATO General Norstad. It is like a broken record, he plays it over and over again.

If he came in here and said, "We are going to spend this money on NATO, we are going to put this money into Turkey and Greece where it will do some good," I would be fighting for it. But when you are going to establish military assistance groups in underdeveloped countries, where the people do not want guns, where the guns will not maintain the regime in power, where you ought to be in with technical programs and economic programs, I am against it. I say you are inviting those people to be our enemies forever, and the results of the past few months and years will prove they are going to do just what you are inviting them to do.

The CHAIRMAN. The question is on the motion offered by the gentleman from Ohio.

The motion was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, of course there is an obvious answer to the question asked by our very able and industrious associate from Arizona [Mr. RHODES]. He asked whether we expected the people where our troops are stationed to support them. Of course not. Those folks did not ask for troops. We are not always guests—we are uninvited. We shoved the troops down their throats. As a matter of fact they have asked some of our forces to get out.

With reference to the bases the gentleman was talking about, if war comes who will own them or of more importance have possession? Did we not read recently that the Russians told us not to use our bases as headquarters or starting places for our people, who were seeking intelligence information? They did. You can get some bases out too far, sometimes, to protect them.

I have a grandson in Germany and another on the high seas. They both tell me that every place they have ever been someone suggested to them, "Yanks go home." How my good friend, the gentleman from Minnesota [Mr. Judd], can turn this snub to Ike into a victory, mystifies me. I just cannot figure it out. And, if we take the argument of the gentleman from Arizona [Mr. RHODES], are we going to abandon the bases? I ask you, is that not just what we have done with some of our men who fought in previous wars and who are now in China and Russia? Is that not what we have done with them?

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. RHODES of Arizona. I could not agree with the gentleman any more than I do as to the desirability—in fact, the necessity—of doing everything we possibly can to get those people liberated, but I fail to see what that has to do with this program.

Mr. HOFFMAN of Michigan. And you think we can defend all these bases all over the world.

Mr. RHODES of Arizona. I will say to the gentleman that bases are very important to the welfare of the free world and the United States of America. I certainly do not intend to make the same mistake that a former Secretary of State made a few years ago and say that they are outside of our defense perimeter.

Mr. HOFFMAN of Michigan. I remember J. Edgar Hoover saying that if we go too far, we could not maintain them.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, speaking particularly to the amendment that the gentleman from Michigan proposes, this would add an additional \$50 million to the already more than \$700 million appropriation the subcommittee has approved and the general committee has approved for this particular program.

Now, let me in the limited amount of time I have available remind my colleagues of the House that every time we propose to do something for the people of this Nation in the way of building a few necessary and needed classrooms, in the way of borrowing some money from the Government to rehabilitate our domestic setup in our State of West Virginia, to bring in some plants into these stricken areas, the charge is made that it is socialistic. They even go so far as to try and drag in the comment that it is tinted Red; that maybe it has some of the evidence and some of the indications of being communistic. That is what these people who are the proponents of this legislation today say about our domestic programs. If they are socialistic here, they are socialistic aboard. And, I think maybe we would be performing a great disservice to the people in those underdeveloped countries, who are begging for democracy and democratic forms of government, teaching them democracy instead of teaching them socialism and socialistic ideas.

Mr. Chairman, I want to appeal to my colleagues in the House to defeat this amendment. It cannot be justified on any ground.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I rise in support of the amendment. I believe adequate defense support is absolutely necessary to these 12 countries who have stood firmly.

Under Secretary of State Dillon said:

Defense support is economic assistance required, in addition to military assistance, to enable certain countries to make specific contributions to the common defense. It is provided to 12 nations contributing military forces and forward military bases crucial to collective security of the free world.

There is not a country in South America or Latin America that is getting any defense support whatever under this program. In case anybody thinks this has been argued here, that point on defense support in Latin America is not

in issue in this program at the present time.

I want to state firmly that from my personal knowledge and experience, I have full confidence in General Norstad, the commanding general and head of our NATO forces. We must back General Norstad and NATO, and I would take General Norstad's word as a military man on his field and his needs as against almost any person I know in this Government.

Likewise we must realize that defense support is in major part, nonproject aid. It was stated by Mr. Murphy when he was testifying as Under Secretary of State, that there are only 84 projects in the defense support title in the Far East, and also one project in the Middle East and Africa. That means that most of the defense support is commodity aid, which is aid of a type like this example I will give. In Taiwan, in fiscal year 1960, there was a program increase in commodities of this equivalent—chemicals \$800,000, machinery and parts \$400,000, and pharmaceuticals \$400,000.

Finally, we have heard comment as to this road in Vietnam. We must not think of this project as one road that has gone up in price. There has been a change in the military situation in Vietnam and there are three routes now being constructed instead of one as originally programed. This highway construction is a necessary military program for a country under extreme pressure. We in the United States cannot afford to lose out in Southeast Asia, which is a vital strategic area.

As to these 12 countries, receiving defense support assistant they are supplying armed services for their defense of approximately 3 million men. The United States has 2 divisions in South Korea, while South Korea has 18 divisions of her own troops on the 38th parallel for her own defense. Let us not pull the supports out from under such people as these who are standing so loyally by us and the free world.

If we did not make the economic assistance of defense support available to these nations they would either have to give up all or a substantial part of the military forces they maintain with our military assistance help, or their economies could collapse under the burden of their military forces and their governments would be in danger of overthrow by subversive elements.

Defense support funds help these countries to maintain the military strength we want them to have in two ways: First, in some countries such as Greece, our defense support goes directly into the defense budget to help support the military forces. In other countries the economic assistance we provide under defense support makes it possible for the country to use money to pay its troops which it would otherwise have to use to buy imports essential to the survival of its economy.

The specific need for defense support for each country and the contribution each is expected to make to the common defense is set out in the Worldwide presentation book, page 86 and

following. This book is classified but is available to all Members.

There has been a very substantial decrease in the funds requested by the executive branch for defense support in recent years. Only 3 years ago the request was for \$1,100 million. For fiscal year 1959 the program was \$808 million. For fiscal year 1960 it will be about \$766 million. Country figures are on page 78 of the Worldwide book. This year the executive branch requested \$724 million, and the Congress authorized an appropriation of \$675 million. The President and the responsible administrators of the program have repeatedly testified to their belief that the full \$724 million is needed. Certainly the \$675 million authorized is a minimum figure. The cut made by the House Appropriations Committee to \$600 million will make it impossible to provide the economic assistance to maintain military power which our military authorities believe we should have in these countries in our own interest.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, this program of defense support is absolutely necessary if we are going to maintain the armies of these countries who are our allies, who are scattered all over the world. I do not see how we can afford at this time not to supply the additional \$50 million.

Mr. CONTE. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. I yield.

Mr. CONTE. The gentleman from Ohio made the point that a great deal of the military assistance money would be going to Latin America. Is it not true that in the 86th Congress, under Public Law 86-472 we limited the amount of money that could be appropriated for Latin America?

Mr. TABER. Yes.

Mr. CONTE. Latin America military assistance was limited to \$55 million, broken down onto \$25 million of grants, \$22 million of credit sales and the rest excess military equipment.

Mr. TABER. That is correct.

Mr. CONTE. No defense money whatsoever goes to Latin America or to Africa. This defense support money goes to these 12 nations which are under the belly of the Sino-Soviet bloc.

Mr. TABER. That is correct.

Mr. CONTE. And the 12th country is Spain where we have strong military, air and naval bases.

Mr. TABER. That is right.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mrs. ROGERS of Massachusetts. Is it not true that this is the area that the President will visit shortly and which may be a very dangerous area to him? It seems to me extremely important to vote this money at this time.

Mr. TABER. The President is taking a really dangerous trip and in so doing is performing a service that we should support.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr.

PASSMAN] to close the debate on this amendment.

Mr. PASSMAN. Mr. Chairman, I want to restate that there is sufficient money in the defense support item without the pending amendment. We have endeavored to present this matter on a nonpartisan basis. I, myself, have tried never to look to either Democrats or Republicans as such for support. We represent the same Nation and the same people. We have our responsibility.

At this time, I recall a particularly appropriate question by one of the great Republican Members of the past, Congressman Rich, who used to ask, "Where are we going to get the money?"

I have dealt with this matter realistically. And, I hope the information which I am going to bring to your attention at this time will cause you to review the decision made earlier, and that you will support the committee's recommendations on a rollcall vote.

From the time George Washington was sworn in as President on April 30, 1789, to June 20, 1953, a total of 164 years, cash receipts of the U.S. Treasury—taxes collected from the American people—amounted to \$570,786,561,814.

From January 20, 1953, and that was a very significant date, to June 1, 1960, comparable collections were \$572,258,819,664.

With all due deference to my friends, I point out that the present administration, in 7 years, 4 months, and 11 days, received revenues exceeding by \$1,472,257,850 all the money collected in 164 years under all of the Presidents of the United States up to January 20, 1953.

Now, the \$572 billion has been spent by this administration and an additional \$23 billion has been borrowed and expended.

If that is the way you want to do business I cannot do anything about it other than call it to your attention.

But, is the fact within itself not indicative of what damage we are doing to the welfare of generations yet to be born? When are we going to face up to our responsibilities and realize we cannot do everything with money?

Mr. Chairman, when and where and how are we going to stop this idea that everything can be done with money? I trust that the Members will reverse their decision of earlier today and support the committee recommendation. If there have been any trades, let us forget about them. Let us stand together in the interest of our people and of our country and of generations yet to be born.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Ohio.

Mr. HAYS. May I point out about the limitation on Latin America that that was written in during the 85th Congress, under an amendment offered by the gentleman from Alabama [Mr. SELDEN], and the military paid no attention to it. The limitation was there. They went right ahead and did as they pleased. Although we put the limitation in again this year, I do not think they will pay any attention to it if it does not suit them. What they did was violate it by

adding on all we had given these countries and all they bought. They said that is what they thought Congress meant, when they knew very well it did not.

Mr. PASSMAN. I hope we shall think of the people's interest and of the national welfare, and of the next generation, rather than of the next election.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. FORD].

The question was taken; and on a division (demanded by Mr. PASSMAN), there were—ayes 97, noes 125.

Mr. FORD. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. FORD and Mr. PASSMAN.

The Committee again divided and the tellers reported that there were—ayes 119, noes 141.

So the amendment was rejected.

Mr. ROONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, what foreign aid should be given and how and where that foreign aid is administered is a problem always confronting the Congress. There is one aspect of this matter, however, where there should be general agreement and endorsement. I refer to those areas of the program where foreign aid is fostered through our own private enterprise system where private American companies are encouraged to venture their capital and to lend their technical experience and competence to the development of worthwhile projects in foreign lands. Not enough of this has been done.

Perhaps I can best illustrate this point by an example of what has been going on in Afghanistan.

An understanding of Afghanistan's turbulent history is essential for a true appreciation of the current impact of American aid on this strategic country. For more than two centuries, the Afghans were a buffer between the British Empire in India and Russia. In 1947, however, the British withdrew from India. The independent nations of Pakistan and India were created. Afghanistan became, in effect, a political vacuum. Almost immediately Soviet pressure and attempts to influence and infiltrate were felt. Afghanistan became the logical first target of Soviet pressure in these vital areas.

You will recall that several years ago Khrushchev and Bulganin paid an historic visit to Afghanistan. Immediately the Western powers, most particularly the United States, recognized the necessity for accelerated interest and activity in Afghanistan's development. The Russians had already begun a road building program, an airport construction program and a program for equipping the Afghan Air Force. They were contemplating a program looking toward the establishment of an Afghan airline with routes extending from Moscow through Afghanistan to Pakistan, Turkey and India. The threat of such a Soviet dominated airline is obvious.

At this point our Government undertook to meet this threat, not by forming a military mission, or by making di-

rect grants to Afghanistan, but by enlisting the skill and experience of a private American company, Pan American World Airways. Officials of Pan American were called to Washington and asked to undertake a program whereby Pan American under a technical assistance contract would train Afghan airline pilots and ground personnel, assist in the purchase of airline equipment and in general make all of its experience and competence available in establishing and assisting in the operation of a sound Afghan civil airline. A Staff of Pan American officials went to Afghanistan, studied the local problems and a technical assistance contract was entered into. In order to insure the continuity of this program Pan American was persuaded by our Government to make an investment in the local Afghan airline under conditions which assured that Pan American did not receive excessive profits from the venture.

This program has now been in operation for three years. As the result we have today in Afghanistan a local airline tied in closely with one of our major private American airlines and providing assurance that the strategic air routes operated in this area are in sympathetic hands. At the same time the skills of a certain segment of the Afghan population are being increased and a start made in raising the local standards of living.

Pan American is to be strongly commended for responding to our Government's call for assistance. Had it not done so there is little doubt but that the Russians would have provided this assistance with consequences which are obviously prejudicial to the best interests of the United States. Pan American has set a fine example for other companies operating abroad. However such companies cannot expect to undertake projects of this kind looking toward the improvement of the internal economics of friendly nations and often competing with Soviet programs unless they have the assurance that their efforts are supported at home, particularly in the Congress. American private enterprise must be encouraged to go abroad and to assume as much of the responsibility and the burden as it can in assisting these underdeveloped countries. Direct country-to-country grants in aid may be necessary in certain instances but in my opinion the long range program should include private American companies who would step in as Pan American did in Afghanistan and do the job.

I am pleased to note that in a recent report issued by the National Planning Association which studied the significance of American aid to Afghanistan recognition was given to what Pan American has accomplished.

Mr. Chairman, some of us have on occasion expressed grave concern over what seems to be a never-ending foreign aid program. However, we must recognize that accomplishments like the one I have mentioned in Afghanistan multiplied many times will greatly add to a proper solution. Obviously whenever American business steps in and helps

to make a country increasingly self-sufficient the burden on the American taxpayer decreases. What is happening in Afghanistan insofar as its local airline is concerned, can occur in many other places and in connection with many other industries if the Congress and the administration—the current one or the new Administration which will take over next January—encourage American enterprise to expand abroad. Our philosophy must be to give companies such as Pan American a pat on the back, not to deter their efforts.

(Mr. ROONEY asked and was given permission to revise and extend his remarks.)

(Mr. RHODES of Arizona asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. RHODES of Arizona's remarks will appear hereafter in the Appendix.]

The Clerk read as follows:

Technical cooperation, general authorization: For assistance authorized by section 304, \$150,000,000: *Provided*, That no part of this appropriation shall be used to initiate any project or activity which has not been justified to the Committees on Appropriations of the House of Representatives and the Senate.

Mr. GALLAGHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GALLAGHER: On page 2, line 20, strike out the colon and the word "*Provided*" and all that follows down through the word "Senate" in line 24 on page 2.

Mr. GALLAGHER. Mr. Chairman, I rise in support of my amendment.

The committee bill prohibits the use of technical cooperation funds to initiate any project or activity which has not been justified to the Committees on Appropriations of the House and the Senate.

This provision reverses a decade of successful history, makes a mockery of the term "cooperation," benefits the Soviets, ties our hands, is unworkable, is uneconomic, would reduce effectiveness, serves no useful purpose.

Reverses history: Congress rightly asks for illustrative programs, since final country-to-country action is proper only after Congress acts. Decade of experience shows that both the United States and other countries will prefer to substitute for certain illustrative projects other more urgent ones. History demonstrates that this will occur. History demonstrates the value of adjusting the program to accommodate these later judgments. To ascribe 100 percent validity to illustrative programs prepared 6 to 9 months before final congressional action is to assume a prophetic foresight which is humanly impossible.

Cooperation a mockery: At the heart of the point IV concept, of technical cooperation, has been the concept of jointness—joint planning of joint operations toward joint goals. If this provision is enacted, other nations would be invited to "jointly plan, using our exclusive list which has been justified." Yes; it would be a technical program—very technical, but not a cooperation program.

Benefits Soviets: For urgent project needs not anticipated and therefore not on the list, barring claim on the contingency fund which is heavily overloaded, other countries would be told to wait until next year. Some cannot wait and may seek or accept Soviet offers. Point of fact is that publication of the unclassified technical cooperation program presented to Congress announces to Soviets that they have clear field on everything not listed.

Ties U.S. hands: The technical cooperation appropriation could not be used during coming year in nations just becoming independent—Camerouns, Congo, Niger, Upper Volta, Upper Dahomey, Togo, Sierra Leone, Mali, and Madagascar—and so, barring contingency fund use these nations during their first months will be told, "Wait or look elsewhere." This is an astounding backhanded way of surrendering the initiative and our rightful responsible role in the world. Natural events, progress on earlier efforts, changes in government—whatever the cause of a new need and opportunity, our answer is the same, "Wait or look elsewhere." No other major country—U.S.S.R., Communist China, United Kingdom, France, Japan—follows such a practice.

Is unworkable: The provision is poorly drafted and unworkable. There are no standards prescribed by which projects are to be judged, leaving the door open for capricious judgment or for unfruitful differences of view within the Congress or between the Congress and the Executive. The words "justified to" are not clear. If this means that presentation of a justification by the Executive is compliance, the provision is meaningless. If it implies a judgment by the committees, formal legislative action becomes mandatory to reconcile differences between the Houses if not for other reasons. Furthermore, the terms "project or activity" are nowhere precisely defined. The provision is so unclear as to purpose, criteria and procedures as to be completely unworkable.

Is uneconomic: It has been practice of the Executive to conclude projects when they have served their purpose—over 1,000 have been successfully completed under all categories—and also to withdraw or phase down support to projects with declining priority. These sensible actions make room for more urgent, newly developed projects. If initiation of new projects within the same appropriation level becomes more difficult, there will be a premium—since our administrators and those of other countries are human—on continuing and extending going projects. Removal of the incentive for a reasonable turnover in projects will increase costs.

Reduce effectiveness: As a corollary, lesser return projects may be continued despite the development of higher return opportunities with a resultant reduction in the total impact of the program.

Serves no useful purpose: Finally, it is apparent that the provision would serve no useful purpose. This is demonstrated by the fact that the committee had before it for several months the executive branch justification for this appropri-

tion and of over a thousand projects, but not a single one has been identified as not justified. This startling fact lends credence to the interpretation that the intent of the proviso was to preclude projects except for those presented to the committees. In other words, if you can think them up ahead of time, they are automatically cleared. Such a requirement serves no purpose other than harassment.

IN CONCLUSION

The technical cooperation program has the respect of the world, receives the flattery of emulation by the Soviets, has the warm support of the American people, and has received solid support from both sides of the aisle. It was initiated with the watchwords "a bold new program." The provision to hamstring technical cooperation turns its back on an inspired beginning, bipartisan execution, and on great future needs. The provision must be rejected.

ILLUSTRATIONS BASED ON SUCCESSFUL EXPERIENCE

First. Governments or ministries may suddenly change after the date of the preparation of the presentation materials for Congress in December and January—recent examples are Korea and Turkey—and it may become possible to undertake technical assistance in fields to which the United States has attached high priority in the past but the foreign government has not. The fields, of tax, financial and land reform are examples of areas where lack of adequate action by many underdeveloped nations has increased the amount of defense support and special assistance required to keep the country from collapse. The ability of the United States to respond quickly to requests for help in these fields—rather than to wait 1 to 2 years—could result in great savings in the amount of support assistance required from the United States as well as increasing the political stability in these countries at a much earlier date.

The House Appropriations Committee bill would prevent the use of the technical cooperation appropriation to meet these needs.

Second. The Technical Cooperation program has been one of our most successful, if not the most successful, instruments for identifying the United States with the aspirations for progress in the newly independent nations. A principal element in this psychological success has been the flexibility and speed with which the technical assistance can be provided—and a major concern of both the executive branch and of many Members of Congress in recent years has been how to speed up effective action even further. The House Appropriations Committee bill goes in exactly the opposite direction, compelling additional delays of as much as 1 year in the use of technical cooperation funds. To a country in a hurry, only recently independent—Vietnam, 4 years; Sudan, 2 years; Congo, independent this month—an additional year is a long, long time—and makes it much more difficult to prove that the United States is really interested in helping them on their problems.

Third. The Soviet Bloc may offer to extend technical assistance to neutralist countries in key fields which could result in greatly increasing their capability for infiltration and subversion in that country. The past ability of the United States to act quickly with offers of technical assistance in such circumstances has effectively kept bloc personnel out of such key fields in many countries as police training, air transportation, teacher training, and radio communications.

Fourth. Experience over the past 5 years has convincingly demonstrated that if the United States has a modest but effective program—in which technical cooperation is a major or the principal component—in operation in a neutralist, newly independent country before the bloc starts its program, the political and public relations impact of the bloc program is far, far less in most instances than where the bloc starts its program first. In the former circumstance not only will the United States already have established itself in many of the most important fields of activity and decreased the internal pressure to seek extensive and early assistance from the bloc, but will have established a qualitative standard by which the bloc activities can be compared and, despite widespread public impressions to the contrary, the bloc has suffered by comparison in the majority—but not all—cases.

Ceylon, Cambodia, Sudan, Ethiopia and Nepal are some examples of U.S. success as a result of timely U.S. action; Syria and Guinea are examples of major Soviet successes where the United States has delayed its programs. Afghanistan is an example of a draw, probably in the favor of the U.S.S.R. even though the United States was in first; but there have been two special circumstances: first and most important has been the bitter Afghan conflict with the U.S. military ally, Pakistan; the second has been U.S. performance on implementation which has been below that of the average U.S. program in other countries.

The House appropriations bill would preclude the use of the technical cooperation appropriation for timely action. Reliance would have to be placed on a contingency fund which is already greatly overburdened.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from New York.

Mr. TABER. I want to say to the gentleman that I believe that this language in the bill at this point is absolutely necessary if we are going to have any integrity in our legislative procedures or any control over such things as this.

Mr. GALLAGHER. I thank the gentleman, but respectfully disagree.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Florida.

Mr. HALEY. All this language means is that you want the people who are using our own money to come back here

and justify the expenditures of that money, just like the people have to do in the Western States when they want to put in irrigation and reclamation projects.

Mr. PASSMAN. That is correct.

Mr. Chairman, this limitation came very near to being unanimous in the committee.

Under the present legislation—not the bill today, but prior legislation—the Department may use deobligated funds to start new projects. Some of those projects which they have started in this manner would take us into 1975.

There are approximately 1,500 projects, with something like 4,000 separate subprojects, and when they come before our committee they are in two different categories: one, "continuing," and the other known as "new." We do not know what projects have been justified before the committees of the Congress or what contracts have been started with deobligated funds. We discovered situations of the latter type which were absolutely alarming; and had the gentleman read the hearings carefully and completely, I do not believe he would have offered this amendment. There has never been any category of the mutual security program abused to the extent of the technical aid part of it.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. Not only have I read most of the testimony, but I lived through our own testimony before the Committee on Foreign Affairs. I also recall the gentleman's statement of yesterday when the gentleman said they only wrote certain language in the bill because the witnesses who appeared before the committee did not pay attention to his committee.

Mr. PASSMAN. I think the members of the committee were almost unanimous on this provision of the bill. The Department witnesses indicated that they would start new projects, the committee's position notwithstanding. Now, we are dealing with something here that if the cost is projected into the future, it may go into billions of dollars. And, it may very well be that perhaps half, or more, of the projects now funded were never approved in the beginning, by any committee of the Congress.

Let us imagine that the Chief of the Corps of Engineers had a few thousand dollars left over in your own home State, and some favorite constituent wanted an investigation made, and another constituent wanted to use the money, say \$5,000, for starting a million-dollar project. Now, that would be comparable to what we are into here.

I think this is the most important provision in this bill, to prohibit these people, on items of this nature, to go out and make obligations, enter into contracts, then place them over in a continuing category, so that when they come before the congressional committees we do not know whether they had ever been justified before the Congress or whether on their own initiative they started these projects.

I might add that at this time there are 676 of such projects as these in effect, with obligations totaling \$347 million.

I think the time has come when we must tighten up on such practices.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. PASSMAN] has expired.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. MASON. Mr. Chairman, I object.

Mr. CONTE. Mr. Chairman, I move to strike out the last word.

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New Jersey. I opposed the committee amendment because I felt that it destroyed the flexibility of the entire program.

Mr. Chairman, we have a peculiar situation, whether we like it or not, of 12 new countries that have gained their independence in Africa. Before this 12-month period is up we will have 30 new countries in Africa. The Sino-Soviet bloc are down there working night and day trying to gain the hearts and the minds of the people in Africa.

One of the most effective programs that we have is this point 4 program of technical assistance. Mr. Chairman, if the committee amendment prevails, then not one project can be started for the Camerouns, Dahomey, Niger, Upper Volta, Mali, Madagascar, Togo, Sierra Leone, or the Congo. You could not start one of these technical cooperation projects because they would not have been justified before our Committee on Appropriations.

Mr. Chairman, I have great respect for my chairman. I have worked very diligently with him through the 16 weeks of our hearings and he has done an excellent job. I believe there is not a harder working man in the Congress.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield.

Mr. PASSMAN. I appreciate that comment.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Michigan.

Mr. FORD. Mr. Chairman, I think the record should show that this program since its inception has never had a limitation of this kind. With some exceptions the program in this area has proceeded, I think, reasonably well, with a limited number of instances of poor management, poor projects, poor execution. With this background, it is unnecessary to include this provision. Therefore I endorse the amendment.

Mr. CONTE. The gentleman from Michigan is absolutely right.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. EVINS. Does the gentleman feel

that we should have a different rule, a rule of flexibility, for foreign projects than we have for our own Corps of Engineers projects and Bureau of Reclamation projects in this country? All the latter must first be approved by the various subcommittees on appropriations before they may proceed with the project. The gentleman is suggesting that we have a different rule for our friends overseas.

Mr. CONTE. This comes under the technical cooperation program, which is altogether different. Here we are dealing with newly developed countries. We are dealing with emergencies that arise throughout the world in Africa and southeast Asia. I do not think the two situations are parallel.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. GALLAGHER. I would like to point out that the amendment offered by the committee was turned down by the Committee on Foreign Relations as being completely impractical and unworkable. I might say also, in response to the comment of the gentleman about having a different standard in the United States, that the Comptroller General also has said that it is not practicable to have this type of approach in an international problem such as in the technical cooperation program. He did not advocate the adoption of this type of legislation for this program.

Mr. CONTE. Mr. Chairman, furthermore I would like to point out why this is inflexible. We are tying the hands of the people who are involved in this program. If you negotiate a contract with a country such as Togo in Central Africa, and you find the program is going to be too costly, and would like to switch that program over to another program where you can save some money, under this proposal of the committee, unless it is approved by the House Appropriations Committee, you would have to go through with the costly program or defeat it entirely.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. With respect to the inquiry of the gentleman from Tennessee, justification is first made on domestic projects to the Committees on Public Works of the House and the Senate before they even go to the Appropriations Committees. Under the rider which is in this bill, the departments could not even initiate the projects to the Foreign Affairs Committee of the House and the Foreign Relations Committee of the Senate before going to the Appropriations Committee. Would this reverse the usual procedure? Would the agency first have to go to the Appropriations Committee and then return to the Foreign Affairs Committee in order to justify the project? Is that the way it works?

Mr. PASSMAN. It would not work that way. The only thing we want them to do is to justify the project before either the Foreign Affairs Committee or the Appropriations Committee or both.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am going to tell you just exactly what inspired this language, the kind of business that has been going on. It is about time we began to wake up and realize some people have been doing things that will not pass muster.

I hold in my hand a couple of programs regarding schools, high-toned schools like Johns Hopkins University and others of similar character, set up by folks who want to run research institutions and all that sort of thing. Here they were day after day supposed to have lectures for 5 days a week in the morning and some days afternoon lectures in addition. When we sent inspectors to find out what was going on, there was nothing going on at all. They got \$4,000 apiece for 20 of these people they were supposed to be training, \$80,000 overall for each group. The total expenditure, as near as I can figure it, was \$34,400,000 out of this particular item. It was their big item last year. How many want to vote for that piece of foolishness, that absolutely ridiculous procedure?

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is not this the same program where they took 9 former Government employees and 3 others, 12 in all, to start with, some of them making \$80 or \$90 a week, and it cost us approximately \$90,000 a man to maintain them in Iran for 3 years?

Mr. TABER. It is the same kind of procedure.

Mr. PASSMAN. Ninety thousand dollars per man for 3 years, because they did not have to give any justification.

Mr. TABER. Nobody who is a friend of this program ought to vote for this amendment to strike this language out, because it means absolutely destroying the civil service of the United States.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. This is the program under which these people started so many projects in Taipei, and they had to abandon 206 of them because they just could not make them hold up. When you give the people the money and they can go out and obligate it, when they have not come before the committees of the Congress, you do not know what kind of a deal they are going to get into; is that not correct?

Mr. TABER. That is exactly correct. I think we ought to force these people to be honest. If we are not going to do that, I do not want anything to do with that kind of performance.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time in order to clarify the language in the amendment. I would like to know what the word "initiate" means. As I understand the word would prohibit taking any measures at all until ICA first appears before the Committee on Appropriations of the House of Representatives and of the Senate. Is that the intention of the language? Or could ICA officials appear, for example, before the

Committee on Foreign Affairs of the House and of the Senate and relate their plans and their programs? If they did this, would they be violating the term "initiate any project or activity"?

Mr. PASSMAN. You can substitute the word "start" for the word "initiate." It does not matter which way we argue it. It is up to the Committee on Appropriations, after the authorizations and the fixing of the ceilings, to examine the needs and to recommend the amounts of money to be appropriated.

I do not think the gentleman can possibly argue successfully against this language. It only provides that they come before the committee and say that, for example, here is a project which would take 4 years to build, and give the cost of it, which is going to be so many dollars. Then, we would go into it and examine it, asking questions as we do for projects here in America. If we find they have merit, the money can be approved; if not, they will be turned down.

Mr. YATES. Will the gentleman permit me to ask another question?

Mr. PASSMAN. I am happy to have the gentleman ask me a question.

Mr. YATES. As I understand the gentleman's explanation then, it is perfectly proper for the agencies to consider the initiation of projects, to make plans for presenting such projects to the Congress, and to present those plans to the Congress through the Committee on Foreign Affairs in the House and the Committee on Foreign Relations of the other body before making their justification to the Appropriations Committee.

Mr. PASSMAN. That is the whole purpose of it, to have them present the proposal to the committees of the Congress so that they can justify it before they start spending money and entering into contracts that will take us in some cases up to 1972, and others that will take us up to 1975.

We have shown you the record that the cost may exceed \$1 billion before completion, if you should give them the money to carry out all the projects. It is intended to call a halt to starting these projects which have never been justified before the Congress.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. I would like to point out that it is the duty of the Committee on Foreign Affairs also, and an obligation that we have taken quite seriously, to review all these projects as they come about. I should also like to point out the authorization legislation which was passed by this House by a vote of 234 to 132. At that time the membership considered this bill without this provision. I do not see why we should now be changing our course.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Louisiana.

Mr. PASSMAN. As I understand it, the Committee on Foreign Affairs wanted to leave it up to the Committee on Appropriations to establish some criteria and to set some limits on these projects. There is no limit, as it is now.

Mr. Chairman, I ask for a vote.

(Mr. YATES asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment, and all amendments thereto, close in 10 minutes.

Mr. O'HARA of Illinois. Mr. Chairman, I object.

Mr. PASSMAN. Mr. Chairman, I move that all debate on the pending amendment, and all amendments thereto, close in 15 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Louisiana [Mr. PASSMAN].

The motion was agreed to.

The CHAIRMAN. The gentleman from Iowa [Mr. Gross] is recognized for 5 minutes; then the Chair will announce the division of time amongst the Members indicating a desire to be heard.

Mr. GROSS. Mr. Chairman, it is hard for me to understand why anyone should offer an amendment striking this provision from the bill. Some reference has been made to the Government Affairs Institute as an example of what is happening in this program. The Subcommittee on Appropriations asked three top officials, including Inspector General Murphy about this program. To begin with they apparently did not know they had a \$1,113,000 contract with a management firm to supply 12 technicians to tell the Iranian Government how it should be run and they did not know any of the officials of this management firm. Read the hearing record. When first asked, they said in succession: I do not know; I do not know; I do not know."

This is the language that is sought to be stricken out:

That no part of this appropriation shall be used to initiate any project or activity which has not been justified to the Committees on Appropriations of the House of Representatives and the Senate.

What is wrong with that provision? Why should not the Congress of the United States know what these bureaucrats seek to do with the money that is so liberally provided in this bill? This is simply the right to know and unless there is this right, Congress cannot serve the people of this country. This is one provision of the bill I support.

The CHAIRMAN. The gentleman from Illinois [Mr. O'HARA] is recognized.

Mr. O'HARA of Illinois. Mr. Chairman, I am concerned with the language in the bill which states that no project or activity can be initiated unless it has been justified to the Committees on Appropriations of the House of Representatives and the Senate. I wonder why the Foreign Affairs Committee of this body was ignored? I understand that in other matters the Committee on Public Works is considered, and certain matters may go there, then to the Committee on Appropriations, but in this case there is a complete bypassing of the Committee on Foreign Affairs, and as a member of that committee I resent it.

I yield back the balance of my time, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentlewoman from Illinois [Mrs. CHURCH].

(Mrs. CHURCH asked and was given permission to revise and extend her remarks.)

Mrs. CHURCH. Mr. Chairman, I have asked for this time in order to get information, if I can, as to exactly what this amendment would do.

I see the question from two sides, I would say to the chairman of the subcommittee. I know perfectly well what he is trying to do, and how necessary it is that some control be written into the program. On a recent trip that was made by our Subcommittee on Foreign Economic Policy it took us some time before departure to get a list by applying some pressure, of all projects in the areas to be visited. Although finally we obtained what was said to be a complete list, we found in some cases that some of the projects represented as being carried on were unknown to the local team; and some places where projects were being carried on that had not been listed.

On the other hand, I do recognize that the technical assistance program was initiated as one of the most valuable parts of our mutual assistance program. I also am tremendously concerned lest the small amount of money set aside to initiate technical training in Africa be held up for another year. I wonder if the gentleman from Louisiana could tell me if this amendment were voted into being, exactly how the program would be initiated in a new country.

If the technical assistance team wished to initiate small projects while the Appropriations Committee was not meeting because the Congress was not in session, what would be the procedure and how long would be the delay?

Mr. PASSMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. CHURCH. I yield to the gentleman from Louisiana.

Mr. PASSMAN. It is my understanding that so far as special assistance is concerned we have no provision prohibiting funds out of that account. This does not deal with tropical Africa. That comes in under special assistance. It has to be understood, realizing the nature of these projects, that all they would have to do would be to come before the Congress and justify them, then they would get the money.

Mrs. CHURCH. Would it be possible always to bring a project to the attention of the committee within a reasonable time?

Mr. PASSMAN. It is my understanding that we are trying only to provide for reasonable justification to the Congress. I do not know anything so important about bilateral technical aid that would preclude such justifications. As it is now, they have gone wild. There are some 1,500 regular projects and about 4,000 special projects. The Congress has just about lost all control of it.

Mrs. CHURCH. The gentleman knows that I agree with him on that. We have lost control of the program. I would like to see the Committee on

Foreign Affairs brought into the picture, when it comes to authorization, however.

Mr. GARY. Mr. Chairman, will the gentlewoman yield?

Mrs. CHURCH. I yield to the gentleman from Virginia.

Mr. GARY. This amendment does not apply to defense support or to military assistance. It applies only to the technical assistance part of it. No program should be considered without some authorization.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I rise in support of the amendment to eliminate this language from the bill. Technical assistance is probably the most basic work we are doing in trying to help newly emerging countries develop the skills necessary to manage their affairs well and have hope of survival.

It has never been an expensive program, relatively. The amount authorized by the committee is \$22 million less than what was authorized by the Congress only a month ago. Some of these programs involve difficult situations in all kinds of countries where they may have to move rapidly. Maybe some decisions made will not work out; that is part of the risk we take. But to hamstring the agency so that it can do nothing, is a much greater risk. To freeze the program into such a rigid position as the bill's language would impose, would be an extremely unwise thing to do.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from New York.

Mr. TABER. How is it going to be possible to stop the ridiculous waste of money they have been pulling off, and the things they have failed to do?

Mr. JUDD. When they face any emergency or changed situation, they should initiate a program to meet it. They then would have to come within a year to the House Foreign Affairs and Appropriations Committees and the same committees in the Senate. If at that time one or more of those committees decides the action taken is ill advised, ill conceived, mismanaged, or what not, the committee can include in its bill a provision saying that none of the funds appropriated therein shall be used for the designated project. Congress can get complete control within a year.

None of these technical assistance programs runs into a large amount of money. It seems to me, if we want to win in this fierce world struggle, we must have maximum imagination and flexibility for those administering this program. We can check within a year on any action they take and correct or stop it, if they have done something they should not have done.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Louisiana.

Mr. PASSMAN. These projects were authorized by the gentleman's committee. We cannot consider any money

appropriation until first the gentleman's committee has provided for the authorization.

Mr. JUDD. I am not making my argument on the basis of committee jurisdiction.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CURTIS].

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Massachusetts. I yield to the gentleman from Minnesota.

Mr. JUDD. I thank the gentleman from Massachusetts. I am not making my case here on the matter of committee jurisdiction. That case, I think, has been well made by the gentleman from Illinois [Mr. O'HARA]. I am basing my argument on the importance of the technical assistance program. I want every ill-conceived or wasteful program to be checked on and, if advisable, eliminated. But I do not want to freeze this agency so that it cannot operate in the present fluid world situation effectively. I think it ought to be given maximum hope of success.

Mr. CURTIS of Massachusetts. Mr. Chairman, I support the amendment, and believe that the committees of the House can control this program without putting it in a straitjacket. We are discussing technical cooperation, which is frequently referred to, especially by those on my right, as the point 4 program. That program was initiated with fine imagination, and has been carried out with the approval of the country. It is a program in which we are more in competition with the Soviets than in any other programs included in this bill. They move into newly freed and less developed countries and seek to capture the minds of the people. This program makes it possible for us to show those people that they can make progress in freedom. To do this effectively and at the proper time requires more flexibility than would be permitted under this bill.

In closing, I want to quote what the President said to the Philippine Congress people only a few days ago:

But our chief and most potent asset, in the battle for men's minds and their loyalty, is our commitment to the mutual interchange of knowledge and wisdom and culture; our commitment to the mutual interchange of new skills.

Mr. Chairman, that is what this program is for, and you cannot run this activity the way you run that of the Army Engineers. The amendment should be accepted.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I want to say again that we are not attempting to bypass the Committee on Foreign Affairs. We are not attempting to take jurisdiction. In no case will this committee ever give any thought or consideration to appropriating for any project until the Committee on Foreign Affairs has first authorized it, and after it has been justified. All that we are trying to do is help the administration do a better job.

Let me say this: It was very nearly unanimous all the way along the line that the time had come to put some sense into this program, which as been spreading throughout the world with practically no limitations whatsoever.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. I would like to say to the distinguished chairman of the subcommittee that the language which this amendment attempts to strike out is the only part of this entire bill that I am for, and I hope it stays in. It makes sense.

Mr. PASSMAN. I thank the gentleman.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. I am very happy to hear the gentleman's words about not taking over the prerogatives of the Committee on Foreign Affairs. But, in effect, that is exactly what you are doing. I might also point out that over 1,000 projects of this nature have come before his own committee, and not one project has been declined or revised.

Mr. PASSMAN. As the situation now stands, there is not a member of this committee and there is not a Member of the House of Representatives who can identify, without inquiry, what projects have been justified before committees and what projects have been started on their own initiative. The projects are in a continuing category before they ever come to the committee, and they are really more fouled up than you might think they are.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Minnesota.

Mr. JUDD. Your subcommittee surely can find out whether it is a new project or a continuing project by just checking whether it was begun in the last fiscal year. If it was begun in the last fiscal year, obviously it is new.

Mr. PASSMAN. To accomplish that purpose would require something like 4,000 separate investigations, for that is the number of projects and subprojects included in this program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. GALLAGHER].

The question was taken; and on a division (demanded by Mr. GALLAGHER), there were—ayes 55, noes 137.

So the amendment was rejected.

Mr. COFFIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COFFIN. On page 2, line 23, strike out "Committees on Appropriations of the".

Mr. COFFIN. Mr. Chairman, I have had a conversation with the chairman of the subcommittee and it is his intention, as I understand it, that under this procedure which has just been written into the House bill, the Committee on Foreign Affairs would not be bypassed,

that his committee would not propose to appropriate unless there had been authorizing legislation. Therefore, this language merely makes clear that the ordinary authorizing-appropriating procedure would take place as it does in all other areas.

Mr. PASSMAN. Mr. Chairman, I, myself, am perfectly willing to agree to the gentleman's amendment. The gentleman's committee authorizes these projects individually and then we appropriate for them individually.

Two committees working together can certainly do a better job than one.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine [Mr. COFFIN].

The amendment was agreed to.

Mr. WESTLAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have taken this time for one reason. I have listened with a great deal of interest to the debate on the technical cooperation program which I personally favor, believing that it is one of the best parts of this type of legislation. I have voted for the bill in the past and expect to vote for it this time.

However, some of these programs, to my mind at least, are a little bit difficult to swallow. I should like to ask the chairman of the subcommittee this question. I notice in the report on page 6 that there is a technical cooperation program for Iraq, for example, for \$1 million; a technical cooperation program for Cuba for \$350,000 and for the Dominican Republic for \$280,000.

I just voted to sustain the language that was in the bill, so I presume that whoever came before the Committee on Appropriations had to justify these requests. This is not very easy for me to swallow.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. WESTLAND. I yield.

Mr. PASSMAN. Does the gentleman mean they had justified these projects?

Mr. WESTLAND. Yes.

Mr. PASSMAN. It is my understanding that, as the situation has been, they get the money, and then enter into their own contracts without any specific authority on any individual contract. Under the amendment just adopted, of course, we will have the opportunity to look them over and either approve the funds or deny the funds.

Mr. WESTLAND. Is the gentleman saying that there are not funds in the present bill before us for a technical cooperation program for Iraq for \$1 million, for Cuba for \$350,000 and for the Dominican Republic for \$280,000?

Mr. PASSMAN. It is my understanding that after the completion of the contracts now under way, the President is going to suspend the program with Cuba.

Mr. WESTLAND. What is the situation as far as Iraq is concerned?

Mr. PASSMAN. If we have entered into a contract, then we are going to have to live up to our commitment. This provision will be applicable to future contracts, not to those which are now in effect.

Mr. WESTLAND. There has been a little change in government in Iraq.

Mr. PASSMAN. We are not trying to take over the President's prerogatives. I think our President will have the right to determine whether or not this program should be suspended in Iraq.

Mr. WESTLAND. It seems to me it is within the province of the Committee on Appropriations to decide that, and not appropriate funds.

Mr. PASSMAN. Under the provision approved, it shall be within the committee's province in the future. We will appropriate authorized funds when they have been justified before the committee. The committee's position is that if our President should deem it in the best interests of the country to terminate a contract, he always has that right.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. WESTLAND. I yield to the gentleman from Michigan.

Mr. FORD. All three programs for the three countries the gentleman mentions were programs submitted at the time of the request for the authorization of the \$172 million. This bill provides \$150 million, a \$22 million reduction. In effect we are squeezing it down so that the executive branch has to make certain reductions or cutbacks. They have already done so in the case of Cuba and I am sure they will have to do the same thing in other places.

Mr. WESTLAND. May I suggest to the gentleman from Michigan that I hope he can work out a way to squeeze out Iraq and Cuba and the Dominican Republic.

Mr. ROOSEVELT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROOSEVELT: On page 2, line 20, strike out "\$150,000,000," and insert in lieu thereof "\$172,000,000".

Mr. ROOSEVELT. Mr. Chairman, this amendment restores the cut made by the committee and brings it back to the budget estimated amount. The reason I do this is that we have just adopted in this House a provision which absolutely guarantees that no one can make the argument that in future appropriated funds there is not going to be the most careful look at each and every program. Having done that, are we going to face the world and say that we have raised the amount of military aid by \$200 million, already acted upon, and then tell the people of the world that are listed on page 6, and remember, these are the people of the world that we want to win to our side, that the only thing America is interested in is the military side of this problem. We would seem to be telling them that we are not interested in them as people in their efforts to develop themselves for democracy. I just do not believe we really want to do that. Twenty-two million dollars is a drop in the total bucket, you might say. I hope that my colleagues will see fit to restore this amount. It will be reviewed as already provided for with great care by two committees so that there could be, I hope, no possible extravagance. It would be a signal to the world that we are looking not only on the military side of things but on what is going to help people, and people are

what are going to make a victory for democracy over communism in the long run.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Michigan.

Mr. FORD. Is it not fair to say, however, that even with the \$200 million added to the military assistance program that appropriation is still 10 percent below the total requested by the Chief Executive? However, the gentleman's amendment puts the technical cooperation amount up to 100 percent of what the Chief Executive requested. I think your argument would be sounder if you used the same percentage figure in both cases.

Mr. ROOSEVELT. I will be glad to have a substitute amendment offered, if the gentleman wants to offer it. But, at least in my book, it is better to have a 100 percent appropriation that goes directly to the benefit of people and emphasizes that part of our national affairs.

Mr. Chairman, I hope the Committee will adopt the amendment.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that this particular item is one where \$34,400,000 was wasted on one crazy project?

Mr. PASSMAN. On which one of the crazy projects?

Mr. TABER. On that crazy educational program.

Mr. PASSMAN. Yes; and that is just one of them.

Mr. Chairman, we have always provided too much money for this particular phase of the program. I think the year before last, that would be fiscal 1959, even before we had concluded the hearings, Secretary Dillon stated that they had overprogramed and that they would not need the amount of money requested. Consequently, we cut it back, I believe, by \$10 million, and I think they finished that year with unobligated funds in the amount of \$8 million.

Here are some of the facts and figures relative to this item: In 1956 they deobligated \$18,101,000. In 1957 they deobligated \$6,448,000. In fiscal 1958 they deobligated \$17,989,000. In 1959—that was the last complete fiscal year—they deobligated \$19,350,000 out of this one category. Through February of this year, for fiscal 1960, they had already deobligated \$5,427,000. So what they actually do, and make no mistake about it, is to enter in many of these contracts hurriedly and haphazardly. There is no justification for them. They get started and they have to cancel them, and others they just put behind an obligation, and after we go home they deobligate and take that money and reobligate it. All we are trying to do is to make a better program out of it.

I certainly hope you will take into account also that in this particular fund you have now the special assistance and development loan and so many of these

other items included also for technical aid that they are quite difficult to find.

Technical aid will have \$318,417,000, with a carryover and the new appropriations recommended.

I certainly hope you will vote this amendment down.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I am happy to yield to the gentleman.

Mr. ROOSEVELT. Would not the gentleman agree, when the President went down to South America on his recent visit, he came back and announced that the one thing the people down there really needed was this technical assistance? I do not say that every project on which money has been spent down there is a good project, but I do say that with the help of the language which is now in the bill, proper precautions can be taken to protect the interests of both the South American and Latin American countries as well as of the United States. We realize, certainly, that the need exists. We realize, certainly, that there is a need of assistance in the Latin American countries and South American countries and, certainly, we need their assistance if we need the assistance of any nations. I am sure the gentleman will agree that we should not slap our friends in the face.

Mr. PASSMAN. Let me say to the gentleman, you have sufficient money in what the committee is recommending to take care of every project under consideration. These people have been getting too much money. It has been stacking up.

You will have no regrets if you support the committee in its recommendations.

Mr. ROOSEVELT. Would not the gentleman agree, however, the President stated that there was a need for new projects to come forward and to be appropriated for?

Mr. PASSMAN. I might say to my distinguished friend, intended humorously, of course, that this situation reminds me of being in a city where they close the saloons at midnight. We had better get a couple of more drinks because there will not be any available after 12 o'clock." Would the gentleman advocate just because we are setting up some restrictions that they had better load up with contracts before they have to justify it to the committee?

Mr. ROOSEVELT. No, but I would like to be sure that if some worthy project that could be justified came up that there would be opportunity and money for it.

Mr. PASSMAN. Such a project is amply taken care of under the restrictive language of the bill.

I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. ROOSEVELT].

The amendment was rejected.

Mr. TABER. Mr. Chairman, I would like to suggest to the gentleman from Louisiana [Mr. PASSMAN] that we on this side think perhaps the balance of the bill might be considered as read and open to

amendment and points of order at any point.

Mr. PASSMAN. I should like to have the reading of the bill continue in regular order. We can limit debate and get through I think more quickly than if we turn it wide open to amendment.

I assure the gentleman from New York I shall consume very little time during the balance of the day.

The Clerk read as follows:

United Nations expanded program of technical assistance and related fund: For contributions authorized by section 306(a), \$33,000,000.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 3, line 2, strike out "\$33,000,000" and insert in lieu thereof "\$30,000,000."

Mr. GROSS. Mr. Chairman, I have heard all the debate on this foreign handout bill and I never cease to marvel at some of the statements, especially when even the supporters find it convenient to decry the ridiculous spending, ill-conceived projects, waste, extravagance and corruption. They are apologists for all this and yet they vote for it. Someone else mentioned the President's great and undying affection for the foreign handout program. I cannot help but recall another statement made by the President not long ago in which he called for belt-tightening, austerity, frugality, and so on and so forth. There are some very interesting contradictions that we get each year, in connection with this giveaway deal.

Now let me turn to my amendment.

Last year both the House and Senate reports on this bill advised the Mutual Security Administration that a reduction in percentage and total dollars contribution to this U.N. program was desired. The agency has ignored this request by asking for an increase in funds for fiscal year 1961.

If this program is so important, why cannot the other participating nations in the United Nations provide for a greater share of the costs, particularly in view of the additional bilateral technical assistance and special assistance programs currently being funded by the U.S. taxpayers?

The \$30 million would provide the same amount as provided for fiscal year 1960.

It might be of interest to my colleagues to know that \$1 out of \$5 contributed to this U.N. fund goes for administration and operational cost of the program. If an American businessman had such overhead costs he would go broke in no time.

Let us look at a little of the history of this program. From the record of the hearings and the statement by Assistant Secretary of State Wilcox, the U.S. delegate to the United Nations last year, Representative JAMES G. FULTON, of Pennsylvania, pledged—get this—pledged \$40 million of our money for the calendar year 1960 for this United Nations technical assistance program. How anybody can be so fast and so free with somebody else's money is amazing. But our colleague from Pennsylvania

[Mr. FULTON] pledged \$40 million; not \$33 million, but \$40 million.

Now, let us look at some of the other testimony on this subject.

The gentleman from Louisiana [Mr. PASSMAN] put in the RECORD the figures on this appropriation for several years past and up to the present. I am not going to take the time to read it. Then, the gentleman from New York [Mr. TABER], after the gentleman from Louisiana had questioned why there should be an increase in the program, said this: "I would like to know why it is necessary to have any program."

Not a \$3 million increase, but any program at all, was the question of the gentleman from New York [Mr. TABER].

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. HAYS. Did the gentleman say our share of this is 33 percent?

Mr. GROSS. I do not know what percentage our share is. It must be at least 33 1/3 percent. I do know it was \$30 million last year and now they want \$33 million.

Mr. HAYS. I will say the gentleman is on the right track because our share of NATO, and so forth, is only 24 percent. That is because some of us got in there and argued with these people, and they agreed we should not pay more than that. That is only 15 nations. The United Nations is all of the nations in the world.

Mr. GROSS. The gentleman from Louisiana pointed out to the witnesses appearing before his committee on this subject that last year he had told them a reduction was in order, not an increase. In the light of what has happened, the people running the giveaway program thumbed their noses at the committee and Congress; is that not correct? They thumbed their noses at the committee for one of the top officials said he had not even read your report in which you told him you wanted a reduction.

Mr. PASSMAN. But that is not the worst part of it.

Mr. GROSS. Let us cut this back to the appropriation for the current year. Let us take \$3 million off this program and stop indulging in lipservice.

Mr. PUCINSKI. Mr. Chairman, the gentleman from Iowa [Mr. GROSS] has asked why the United States should engage in the building of a children's hospital in Krakow, Poland. I am sure the gentleman is well aware of the tremendous contribution that the people of Poland have made to the defense of freedom, not only in World War II, but for many centuries before that.

I strongly support this proposal to build a children's hospital in Krakow, Poland. It is neither the fault of the children of Poland nor even their parents that this gallant nation today finds itself under the rule of a Communist regime. This Communist regime which today rules the people of Poland was imposed on these people through the hypocrisy and deceit of the Soviet Union immediately following World War II, and despite the fact that the people of Poland had been promised free and un-

fettered elections after the war, it was Soviet treachery which has denied these Polish people this right. There is no question in my mind and I feel confident that the gentleman from Iowa [Mr. Gross], will agree, that if the people of Poland were given the privilege of holding free and unfettered elections today, not a single Communist would survive in public office in Poland.

The history of the Polish people's determined struggle for freedom has been a source of inspiration to all nations of the world for many decades. We know that the people of Poland have traditionally maintained the true spirit of liberty against overwhelming odds. We know that even in 1956, when the people of Poland were faced with indescribable recriminations, they staged the gallant uprising in Poznan which has led to at least a semblance of independence from complete Soviet domination.

I respect the efforts of the gentleman from Iowa [Mr. Gross] to indulge in economy, and I certainly share his great desire to ascertain that every American dollar spent in the mutual security program will bring the most positive results. Mr. Chairman, it is my sincere opinion that this project to build a children's hospital in Krakow, Poland, is one of the best features of this entire legislation. This hospital is to be built with counterpart funds which belong to the United States and cannot be spent anywhere but in Poland. I can think of no more humane project than this proposed hospital to demonstrate to the people of Poland that the United States continues to hold them and their dedication to freedom in high regard. This hospital built with American counterpart funds will be a monument to the tradition of charity and humane understanding which has characterized the American people since the founding of our Nation.

Few countries in the world have suffered as much as the Polish people have in their struggle for freedom. The present Communist regime in Poland, I am certain, ultimately will fall of its own oppression. But this hospital, which will help open new health opportunities for the little children of Poland, shall continue to stand and serve humanity.

The assistance that we propose here today to the people of Poland is a dramatic way in which we Americans can demonstrate our traditional friendship to the heroic people of Poland. I am confident that the day will come when Poland and all the other captive nations of Europe will again join the family of free nations. This hospital, along with all the other assistance that we give to the people and children of Poland, will long remain as America's contribution toward that goal.

I am hoping, Mr. Chairman, that we will not only approve the expenditures for this very humanitarian project in Krakow, but that in the near future we will also approve a project to build a school in Hyze, Poland, the birthplace of Gen. Wladyslaw Sikorski, in his honor. This great Polish general was killed during World War II at the height of his efforts to lead Poland as a gallant ally of the western democracies.

We have in Poland now, some \$79 million of frozen counterpart funds. I know of no greater way to help the people of Poland and the people of other captive nations to understand that we have not forgotten them during this tragic period when they must suffer the loss of freedom to Communist rule, than to encourage the liquidation of these counterpart funds on humane projects such as the children's hospital in Krakow. It is for this reason that I am strongly supporting the amendment of the gentleman from Wisconsin [Mr. ZABLOCKI] and hope that the House will concur in its adoption.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa.

This is just a little different from the bilateral technical aid program. Whether I like the program or not I must face up to my responsibilities and recognize that we are already committed. We gave our representative permission, consent or authority to commit our Government for a certain amount of money. We make this to the U.N. and the U.N. makes the allocations. If it is the wish of the Committee on Foreign Affairs to recommend a lesser amount next year and if that fact is indicated to the members of the U.N. which are participating in putting up the other portion of the money, I, myself, will go along with that; but as long as we have made a commitment we should live up to our commitment.

Mr. Chairman, I hope the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. Gross].

The question was taken; and on a division (demanded by Mr. Gross) there were: ayes 32, noes 93.

So the amendment was rejected.

The Clerk read as follows:

Special assistance, general authorization: For assistance authorized by section 400(a), \$206,000,000, of which not to exceed \$1,500,000 may be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States for assistance authorized by section 400(c) for construction of the American Research Hospital for Children in Poland at the University of Krakow: *Provided*, That no part of this appropriation shall be transferred by the International Cooperation Administration or the Department of State to the Benjamin Franklin Foundation, until a new agreement is entered into between the United States and the Benjamin Franklin Foundation which contains adequate financial and administrative controls for the protection of the Government of the United States.

Mr. GROSS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Mr. Chairman, I make the point of order against the language beginning on page 3, line 7, and ending on line 12 which reads as follows: "of which not to exceed \$1,500,000 may be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States for assistance authorized by section 400(c) for construction of the American Research Hospital for Children in Poland at the University of Krakow."

Mr. Chairman, this language is legislation on an appropriation bill. The authorizing act, the Mutual Security Act of 1959, provides for the utilization of "foreign currencies for hospitals abroad designed to serve as centers for medical treatment, education and research founded or sponsored by citizens of the United States."

In contrast, this language in the bill under consideration provides for a discretionary use of appropriated funds to purchase foreign currencies owed to or owned by the Treasury of the United States. The authorizing language does not provide for the use of appropriated funds for the purposes stated in the objected-to language. This language is not a true limitation on an appropriation bill as it provides for or authorizes positive action through permissive authorizing language.

Mr. GARY. Mr. Chairman, the language is clearly authorized and the point of order is not well taken because the appropriation is authorized under section 400(c), and it must be in accordance with that provision. The provision authorizes the use of foreign currency. We appropriate the dollars to buy the foreign currency that is now in the Treasury, but no American dollars can be used for the project. The provision provided for here is simply a bookkeeping provision which appropriates money, American dollars, to purchase the foreign currency in the Treasury, and I submit that that is a use of the foreign currency and therefore that it is in order.

The CHAIRMAN. Does the gentleman from Wisconsin desire to be heard on the point of order?

Mr. ZABLOCKI. I merely sought recognition to ask the gentleman from Iowa whether he would withhold his point of order. I have an amendment to this section which I am sure would satisfy the gentleman from Iowa.

Mr. GROSS. I will say to the gentleman I will make a point of order against his amendment if it is what I think it is.

Mr. ZABLOCKI. Will the gentleman permit my amendment to be presented?

Mr. GROSS. I would rather have a ruling on this.

The CHAIRMAN. Permit the chair to direct a question to the chairman of the subcommittee or to a member of the committee, particularly the chairman. Is this language contained in the point of order made by the gentleman from Iowa, "of which not to exceed \$1,500,000 may be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States" authorized and, if so, where?

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The Chair has addressed the question to the chairman or to a member of the committee.

Mr. PASSMAN. That is the usual language where we are withdrawing foreign currencies from the Treasury.

The CHAIRMAN. The Chair will be glad to hear the gentleman from New York or any other member of the committee as to whether or not this particular language is authorized by law and, if so, where.

Mr. GARY. Mr. Chairman, may I read the provision of law authorizing it? It is section 400(c) of the Mutual Security Act of 1954 as amended. It provides:

The President is authorized to use not to exceed \$20 million of the funds appropriated pursuant to subsection (a) of this section for assistance on such terms and conditions as he may specify to schools and libraries abroad founded or sponsored by citizens of the United States and serving as study and demonstration centers for ideas and practices of the United States notwithstanding any other act authorizing assistance of this kind.

And further:

In addition to the authority contained in this subsection it is the sense of Congress that the President should make a special and a particular effort to utilize foreign currencies accruing under title I of the Agricultural Trade, Development and Assistance Act of 1954 as amended and notwithstanding the provisions of Public Law 213, 82d Congress, the President is authorized to utilize foreign currencies accruing to the United States under this or any other act for the purposes of this subsection and for hospitals abroad designed to serve as centers for medical treatment, education, and research, founded or sponsored by citizens of the United States.

The CHAIRMAN (Mr. MILLS). The Chair is of the opinion that the language of section 400(c) as read by the gentleman from Virginia [Mr. GARY] is sufficient to establish the point that this language is authorized by law; and therefore the Chair overrules the point of order made by the gentleman from Iowa [Mr. GROSS].

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZABLOCKI: On page 3, line 7, after "\$206,000,000," strike out beginning "of which not" and through the colon on line 12 and insert on page 3, after line 19, the following:

"Special assistance, special authorization: For assistance authorized by section 400(c) for hospital construction the equivalent of \$1,500,000 in local currencies to remain available until expended."

Mr. GROSS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Mr. Chairman, I make a point of order against the amendment and against the words "until expended" as not being authorized. I would call the Chair's attention to title 31, United States Code, 718, which provides as follows:

No specific or indefinite appropriation made subsequent to August 24, 1912, in any regular annual appropriation act shall be construed to be permanent or available continuously without reference to a fiscal year unless it belongs to one of the following four classes: "Rivers and harbors," "lighthouses," "public buildings," and "pay of the Navy and Marine Corps," last specifically named in and excepted from the operation of the provisions of section 713 of this title, or unless it is made in terms expressly providing that it shall continue available beyond the fiscal year for which the appropriation act in which it is contained makes provision.

Mr. Chairman, I point out that this is an annual appropriation bill and, therefore, this is language on an appro-

priation bill that is not authorized by law.

Mr. ZABLOCKI. I will not argue the point, Mr. Chairman. I concede the point of order.

The CHAIRMAN. The Chair sustains the points of order.

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZABLOCKI: On page 3, line 7, after "\$206,000,000," strike out "of which not" and through the colon in line 12, and on page 3, after line 19, insert the following:

"Special assistance, special authorization: For assistance authorized by Section 400(c) for hospital construction the equivalent of \$1,500,000 in local currencies."

Mr. ZABLOCKI. Mr. Chairman I want to thank the chairman of the Mutual Security Appropriations Subcommittee and express appreciation to the Appropriations Committee for the sympathetic interest and consideration shown to the American Research Hospital for Children project. From conversations with the chairman of the subcommittee and the ranking minority member I understand there is no objection to this amendment and that the amendment will be accepted by the committee.

Mr. PASSMAN. I have discussed the proposal with the members of the committee. As the amendment has been explained to me, I have no objection.

Mr. TABER. The result of that amendment would be to increase the amount of money available in line 7, of \$206 million by \$1,500,000. That is the only objection to the amendment; and why should we do that?

Mr. PASSMAN. It was my understanding the amendment would not increase the amount of money.

Mr. ZABLOCKI. It would not increase the dollar amount. Foreign currency is available to the credit of the Treasury of the United States. I made that very clear in discussing the amendment.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Minnesota.

Mr. JUDD. As the gentleman pointed out earlier, this will not increase the amount of dollars actually spent, it will merely free \$1,500,000 worth of some 79 million zlotys we have in Poland that are not being used for any purpose, and make them available for this very worthy use.

Mr. TABER. The gentleman is mistaken. This would simply add \$1,500,000 to the funds that would otherwise be available if the language goes through as it is written. The usual practice is to have the money paid over to the Treasury, foreign money, instead of appropriating these funds.

Mr. ZABLOCKI. I conferred with the chairman of the subcommittee and the ranking minority member of the committee. I thought we had a clear understanding of the intent and scope of the amendment my distinguished colleagues agreed to accept the amendment.

Mr. PASSMAN. That is true, but the amendment of the gentleman from Iowa

may possibly have changed the situation. If the amendment does not increase the \$206 million of special assistance, then I, myself, am willing to accept the amendment. If the gentleman is increasing the money in the bill then the committee would not be willing to accept the amendment.

Mr. ZABLOCKI. It does not increase the dollar expenditure of money in the bill.

Mr. PASSMAN. If the gentleman's amendment would accomplish what it proposes, would it have to increase the amount?

Mr. ZABLOCKI. My amendment would allow the appropriation of foreign currency, zlotys, to the equivalent of \$1,500,000. No additional dollars would be appropriated to the total dollar amount in the bill.

Mr. PASSMAN. The gentleman is correct. It is to be regretted that what appears to be a technicality must apply to what I consider a worthy project. I would regret to see it ruled out on a technicality.

Mr. ZABLOCKI. It was my understanding that the ranking member of the committee, the distinguished gentleman from New York also accepted the amendment.

Mr. TABER. I would not want it to be said I accepted the amendment, because I think the gentleman does not understand it. It does require making the \$206 million appropriation for this special assistance and then, in addition to the special assistance, there is an appropriation of \$1,500,000 out of foreign currencies in the Treasury, instead of going through the regular process.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Michigan.

Mr. FORD. I believe the interpretation by the gentleman from New York [Mr. TABER] is correct. However, despite that interpretation, I am in favor of the amendment. I think it is sound. I think we ought to approve it. There is no doubt in my opinion that you are making available \$206 million in U.S. cash through new obligation authority, and this amendment provides another \$1,500,000 in obligation authority to buy foreign currencies for the project. I think that is the way we should do it, otherwise, you are squeezing down even further the special assistance program.

Mr. ZABLOCKI. I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. ZABLOCKI. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. MASON. I object.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

Does the gentleman from Wisconsin ask that I yield?

Mr. ZABLOCKI. I would be delighted if the gentleman would yield to me.

Mr. YATES. I yield to my colleague.

Mr. ZABLOCKI. Mr. Chairman, I understand the appropriation of the additional \$1,500,000 for this purpose would release or transfer the equivalent

of that amount of dollars in foreign currency which is credited to the Treasury of the United States. To that extent, it would make available foreign currency in addition to the total appropriation in this measure, but it would not increase the expenditure of dollars appropriated in this bill. Therefore, I urge the committee to approve this very worthy project.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I might say to the gentleman that the chairman of the subcommittee has no authority to accept any amendment without a vote. So, on account of the procedure and the situation, and the amendment of the gentleman from Iowa, I have to confess that I, personally, am somewhat placed in a box and no less than confused at this point. I can only say we thought that there would be no opposition to the proposal, but as there seems to be some opposition, I must, of course, respect the views of the committee and abide by the rules of the House. I have no right, as chairman of the subcommittee, to accept the amendment.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Illinois.

Mr. PUCINSKI. Just so that we can get this matter back into perspective, as I understand the situation, there is no opposition to the amendment which has just been offered by our colleague, the gentleman from Wisconsin, and there is no opposition to it on the basis of any parliamentary situation because that has just been disposed of by the ruling of the Chair on the point of order. If I am not correct in that statement, Mr. Chairman, I wish to be corrected.

Now, Mr. Chairman, we are addressing ourselves to the merits of the pending amendment. As I understand the situation, this amendment merely unfreezes \$1,500,000 worth of counterpart funds which are now available in Poland. This money should be used for construction of this very worthy project. But, it does not alter the actual dollar contribution of the United States toward the purposes of this legislation. The money already is on deposit in Poland. That, Mr. Chairman, is my understanding of the amendment offered by the gentleman from Wisconsin, and I am happy to support it.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Minnesota.

Mr. JUDD. Mr. Chairman, I should like to say a word about the merits of this amendment. The amount in the authorization bill was \$256 million for special assistance for 22 of our loyal friends around the world to whom we do not give military assistance, but whose political stability and survival as free countries is of great importance to the security of the world and of the United States of America. The committee has already reduced that by \$50 million to

\$206 million. If this amendment offered by the gentleman from Wisconsin is not adopted, we will further reduce by \$1,500,000 the contributions for countries and areas like West Berlin, Tunisia, Morocco, Libya, Jordan, Israel, Afghanistan, Burma, and so on. The bill as it now is would take \$1,500,000 more away from our friends to make it available for zlotys behind the Iron Curtain. The zlotys are available there and can be used for this worthy purpose and without reducing funds for the other countries by adopting the amendment offered by the gentleman from Wisconsin. So, Mr. Chairman, I urge the committee to adopt the amendment.

Mr. YATES. I now yield to the gentleman from Wisconsin [Mr. ZABLOCKI].

Mr. ZABLOCKI. I thank my distinguished friend from Illinois. I asked him to yield to me in order that I may obtain a clarification from my distinguished colleague from Louisiana as to the intent of the committee in submitting the recommendation on page 9 of the report.

As the gentleman knows, the sponsors of the American Research Hospital for Children have spent in excess of \$65,000 in the preliminary and organizational phases of this project. An additional \$50,000 worth of foreign currency has been appropriated and expended on the preparation of detailed plans for the hospital. The sponsors are currently in the process of obtaining services and equipment, and of raising additional dollar funds from private sources.

It is my understanding that the committee intended the use of foreign currency to be contingent upon a reasonable and satisfactory assurance that the dollar requirements of the project would be raised from private sources.

Certainly the Committee on Appropriations did not intend to prohibit the release of any foreign currencies, thereby stopping further work on this project, until the sponsors raise all of the dollars—some \$2.2 million—necessary to equip and complete the hospital?

Is my understanding correct in this respect?

Mr. YATES. Mr. Chairman, I yield to the chairman of the committee to reply.

Mr. PASSMAN. As chairman of the subcommittee, I think I should say that it is not the purpose of the committee to deprive you of something, but rather to endeavor to assure that the others who are going to contribute start meeting the dollar requirements for this project.

Mr. ZABLOCKI. I thank the gentleman.

Mr. PASSMAN. And I want to assure the gentleman again that only parliamentary procedure prevents me at this time from going further, personally, than expressing sympathy for the gentleman's position.

Mr. ZABLOCKI. It is clear, therefore, that the work on the project need not stop until every dollar requirement is met. The construction of the hospital can proceed on schedule, contingent on the availability of dollars to meet current and immediate future expenses.

As the gentleman from Louisiana knows, according to the estimated cost of the project, the amount of dollars needed in fiscal 1961 will be approximately \$150,000—while the foreign currency expenditures during that year will run close to a million dollars' worth.

I understand, therefore, that the sponsors of the hospital will have to show that they have forthcoming, for example, \$100,000 or \$150,000 in order to secure a release of the foreign currency.

Mr. Chairman, to allay any apprehension that the American Research Hospital for Children in Poland will lack the necessary support to assure dollar financing and proper administration, I wish to place in the RECORD a progress report, dated June 1, 1960, which I received from Mr. Wladek Biernacki-Poray, chairman of the executive committee for the hospital.

Mr. Poray's letter refers to the fund-raising activities and the arrangements being made to assure proper administration of the hospital upon its completion.

Mr. Poray's report reads as follows:

THE AMERICAN RESEARCH HOSPITAL
FOR CHILDREN IN POLAND,
New York, N.Y., June 1, 1960.

Re fund-raising activities.

Hon. CLEMENT J. ZABLOCKI,
House of Representatives,
Washington, D.C.

MY DEAR CONGRESSMAN ZABLOCKI: When the report on the proposed American Research Hospital for Children was submitted to the Department of State, our committee again approached certain foundations with a view to secure financial assistance for the project.

In a meeting with the executive vice president of one of the largest foundations we have presented the objectives of the proposed hospital; among them the gains that may be realized through the coordination of the hospital's research program with the major medical centers in the United States, which generally fits into the sphere of interest of the foundation. He expressed a vivid interest in the project and assured us that it would be seriously considered by the board of directors of the foundation.

Another large foundation has been also asked for their support, and have assured some members of the committee of the foundation's interest in the project. The impression that was received indicates that their interest would materialize into a concrete assistance, when the project would be assured of the primary assistance in the form of allocation of Polish currency from the U.S. Government. Availability of these funds for general construction would be regarded as a practical endorsement of the project by the U.S. Government, and it would remove any doubts that the project would not be started. The policy of many foundations, as we understand, is to help the "going" projects, and in our meeting with the executive director of still another foundation we again received a strong impression that chances for substantial assistance would be much greater when the Polish funds are allocated for the project. The Sloan-Kettering Institute has already taken an active interest in the project by their willingness to train (paying also all expenses, transportation, and providing substantial stipends) doctors, scientists, and nurses, who would form the staff of the research department of the proposed hospital. We have also an indication that the institute would consider donation of the laboratory equipment and certain research facilities for the research department, as it is willing to assume a

major role in the mutual research program on the subject of oncology.

It may be appropriate to mention that certain firms and manufacturers of building products and equipment indicated their willingness to donate certain products (e.g., *Sylvania Electric*, electrical equipment and fixtures; *Willett Glass Co.*, glass windows, etc.). Under the present conditions these donations could not be materially received, but when the storage facilities are erected on the building site, and the free transportation provided (as offered) by the Polish Government, we would be able to start an effective campaign for donation of funds and equipment. We are very encouraged with the interest displayed so far. Following a series of articles last year in the *New York Times*, and in the *This Week* magazine, we have received a considerable number of inquiries. We understand that a number of nationally known publications (the *New York Times*, *Time*, *Life*, the *Saturday Review*, and others) are very interested to give coverage to the project when the groundbreaking would take place. This would be a very effective media to start a fund and equipment raising campaign, as we would be in an excellent position to convince donors that their assistance is immediately and necessarily required.

We are seriously determined to assure the most expeditious and effective completion of the project. As a measure of our determination may serve an indication of our efforts to date; in the preliminary and organizational phases of the project, since February 1958 when it was first conceived until the present time unreimbursed expenses have exceeded the sum of \$65,000. These are the direct expenditures for preliminary planning, engineering, research, trips to Poland, Washington (over 60 trips made), conferences, promotional and organizational work. Apart from this, CARE has also been carrying a considerable amount of its own expenses. This financial effort produced desirable results, inasmuch as the project at this time is a subject of consideration by the U.S. Congress and ready to be started as soon as the primary funds in Polish currency are available.

If the decision of the U.S. Congress would result in the appropriation of the zlotys equivalent to approximately \$3,350,000 (\$3,338,967) as per reported estimate, the ground for the project can be broken this summer, possibly in mid-August. Only such an early start of construction would make it possible to fulfill one of the theses of the project—that is, donation of the hospital as a highlight of the 600th anniversary of the university in assurance that the project would in reality be started would be, in our opinion, a very strong incentive for the foundations, individual, and industrial donors and other to make concrete commitments of assistance.

It is entirely possible, of course, to construct the hospital with a negligible amount of dollars, in the same way as other hospitals are being constructed by the Polish Government, for local currencies. This would negate one of the main theses of the project; namely, that it should represent visually and technically the advanced status of the American design and mechanical functioning, the progress that our free system is capable to produce. These are, in our opinion, very desirable elements, but even without these the project would offer a new concept in its architectural layout, and would be a very desirable addition to the hospital facilities so desperately needed in Poland. It would make possible to originate the new campus for the medical academy of the university, thus serving as a tangible evidence of the American interest in the welfare of children of Poland and the future of medical education. Such an action would not be forgotten by the people of Poland, doctors and the spirited students of Poland, who gave

such a display of their admiration to the United States during the coup d'etat of October 1956.

Respectfully submitted.

W. D. BIERNACKI-PORAY,
Chairman, AIA.

Mr. Chairman, I am convinced that the hospital would, by symbolizing the interest of the American people in the welfare of the people of Poland, have a favorable effect in terms of U.S. foreign policy objectives. I sincerely hope, therefore, that every effort will be made to expedite the construction of the hospital which will be a lasting memorial and source of credit to the United States.

Mr. GROSS. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS as a substitute for the amendment offered by Mr. ZABLOCKI: On page 3, line 7, strike out the language beginning: "of which not" and running through the colon in line 12.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I would like to ask someone on the committee to tell me why we should build a hospital of any description in Communist Poland. I am in favor of hospitals but this may have serious ramifications.

Mr. JUDD. If the gentleman will yield—

Mr. GROSS. I asked someone on the Appropriations Committee to explain.

Mr. TABER. I cannot tell the gentleman.

Mr. GROSS. I wonder if the chairman of the subcommittee can tell me. Can the gentleman from Louisiana tell me why we are starting to build a hospital in Poland?

Mr. PASSMAN. I am not going to endeavor at this time to place my judgment concerning this particular proposal against that of the President. The hospital would be built out of local currencies, and I think it might serve a useful purpose.

Mr. GROSS. What kind of precedent are you setting? What is going to be the demand upon the taxpayers of this country when other countries demand that we build hospitals for them?

Mr. PASSMAN. Local currency only is to be used.

Mr. GROSS. I know all about these local currencies, but this money was originally American dollars.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield further?

Mr. GROSS. I yield.

Mr. PASSMAN. I have endeavored to be fair, to pinpoint my cases, and to try to reduce the waste. I know the gentleman fully supports this effort, and I know, too, that he shall continue to do so.

Mr. GROSS. Certainly I will.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Virginia.

Mr. GARY. The amount of money in this bill is about one-fourth of what it is estimated that the hospital will cost. I think it is one-fourth, certainly not over half.

The project is being fostered by some private interests in this country. They are going to raise the necessary dollars to build this hospital. You cannot build a hospital entirely on local currency. They will raise the dollars. We have local currency running out of our ears.

Mr. GROSS. Let me ask the gentleman this question. We have some \$2.5 billion of country currencies floating around all over the world. Are we now going into every country in the world with a hospital building program?

Mr. GARY. We are already in with every other kind of program. I do not know a better program than a hospital program.

Mr. GROSS. If that is the case, I throw in the sponge and ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa.

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. ZABLOCKI].

The amendment was agreed to.

Mr. SIKES. Mr. Chairman, I move to strike out the last word.

(Mr. SIKES asked and was given permission to revise and extend his remarks.)

[Mr. SIKES addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. COLLIER. Mr. Chairman, I move to strike the requisite number of words to ask a question that just occurs to me.

In the first session of the 85th Congress, as a part of what was then known as the Middle East Doctrine, we authorized and later appropriated, as I recall, some \$200 million and at the same time authorized the executive to expend that sum in the Middle East.

Can anyone tell me what remains unexpended of that sum?

Mr. PASSMAN. As of June 30, this fiscal year, there will remain in the reserve fund a total of \$61,247,000 unexpended.

Mr. COLLIER. If I may ask one further question, does that sum embrace more than the \$200 million original authorization approved by this Congress in 1957, or does this include other funds?

Mr. PASSMAN. It is my understanding that this is the residue of that particular account that is obligated but unliquidated.

Mr. COLLIER. I thank the gentleman.

The Clerk read as follows:

Intergovernmental Committee for European Migration: For contributions authorized by section 405(a), \$10,000,000: *Provided*, That no funds herein appropriated shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere.

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTERS On page 3, line 26, after the period insert "And provided further, That no funds herein ap-

propriated shall be used to pay transportation costs of any doctor or immigrant inspector or for any space not required to be allotted by the applicable United States maritime laws and regulations."

Mr. GARY. Mr. Chairman, I reserve a point of order on the amendment.

Mr. WALTER. Mr. Chairman, the amendment under consideration is aimed at a very old royal proclamation or edict, whatever the law is called, that was adopted many years ago at a time when immigrants were not given the kind of protection they are on American ships. Under the laws of the United States it is necessary that each ship carrying immigrants have a hospital and medical facilities. But, despite the ample protection given to these people, under the old edict the Italian Government assigns to duty on every American ship a doctor and an immigrant inspector and requires that the American line provide space for an infirmary. Nobody knows of a case in recent years where the doctor's services were required. Certainly, no immigrant inspector performs any services on a vessel. This is a needless expense, and I am sure but for the political implication, the officials in the Italian Government would themselves remove this law.

Mr. Chairman, the amendment is very definitely a limitation on expenditures. It does not provide any legislation but limits the authority to use the money appropriated in this section of the appropriation bill.

The CHAIRMAN. Does the gentleman from Virginia withdraw his point of order?

Mr. GARY. I withdraw my point of order, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Louisiana desire to be heard?

Mr. PASSMAN. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALTER]. The amendment was agreed to.

LEGISLATIVE PROGRAM FOR THE BALANCE OF THIS WEEK AND NEXT WEEK

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have taken this time to ask the acting majority leader concerning the program for the balance of the week and for next week.

Mr. ALBERT. It is our hope to finish this bill this evening and to adjourn over until Monday.

For next week, Monday is Consent Calendar day. Then there are 20 suspensions, as follows:

First. H.R. 12313, increase pay professors, U.S. Military and U.S. Air Academy.

Second. H.R. 12570, armed services, transportation limitation on household effects.

Third. H.R. 12572, Armed Forces, procurement.

Fourth. S. 2969, medals and decorations, chaplains.

Fifth. H.R. 12346, Federal Reserve Act, sale of obligations.

Sixth. S. 1886, Communications Act, community antenna television system.

Seventh. S. 1965, regulatory agencies, removal and terms of office of members.

Eighth. H.R. 7593, air carriers, add planes.

Ninth. S. 1508, Alaska Railroad, economic regulation.

Tenth. S. 1509, Interstate Commerce Act, grandfather rights.

Eleventh. H.R. 6871, Public Health Training Service Act of 1959.

Twelfth. H.R. 5436, national register of revoked drivers licenses.

Thirteenth. House Joint Resolution 649, International Health Research Act of 1960.

Fourteenth. H.R. 3900, Puerto Rico, trade, hydrofoil vessels.

Fifteenth. S. 2669, Alaska, vessel inspection.

Sixteenth. S. 3189, coastwise trade in rebuilt vessels.

Seventeenth. H.R. 9600, surplus property, donation.

Eighteenth. H.R. 11499, surplus property, personal use by States.

Nineteenth. H.R. 12564, Vermont, develop Victory Reservoir.

Twentieth. H.R. 12547, Foreign Service Act amendments of 1960.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. BASS of Tennessee. Is it the intention of the leadership to bring up the library services bill next week?

Mr. ALBERT. No. I would like to advise that there is a primary in Maine on Monday and we are hoping that votes on Monday and Tuesday may be put over. We shall undertake to get that agreement later.

On Monday, in addition to the suspensions, there are two bills under rules; H.R. 11123, the Gorgas Memorial Laboratory, an authorization of appropriation; and the continuation of H.R. 4815, the transit company sightseeing bill.

Mr. HALLECK. Would they follow conclusion of action on these suspensions?

Mr. ALBERT. The gentleman is correct.

Tuesday is Private Calendar day, and there are two bills, under rules, H.R. 12261, Farm Surplus Reduction Act of 1960; and H.R. 8860, lead and zinc, to stabilize mining.

On Wednesday, Thursday, Friday, and Saturday the following bills will be considered:

H.R. 12580, the social security amendments of 1960; S. 1898, license and rehearings, Communications Act. If that bill is not completed on Wednesday then S. 1898 will follow the supplemental appropriation bill.

Next is the supplemental appropriation bill for 1961.

Then H.R. 7624, the food additives control bill; H.R. 9996, importation of excess property; H.R. 12176, extension of the farm labor program, agriculture; and H.R. 2467, the Chantilly Airport—moving expenses for tenants and owners of land.

There is the general reservation, that any further program may be announced later and conference reports may be brought up at any time.

Mr. COLMER. Mr. Chairman, I did not hear the acting majority leader refer

to H.R. 7201, a bill out of the Committee on Interstate and Foreign Commerce for which a rule was reported out about 3 weeks ago.

Mr. ALBERT. It is planned to program that bill for the week of June 27, I will advise the gentleman.

Mr. COLMER. That has been out a good while, but I suppose there is not much I can do about it except exercise a right that I prefer not to exercise.

Mr. ALBERT. The gentleman will observe that we have a very heavy week, including a number of major bills as well as a large number of suspensions. I do not intend to infer that the gentleman's bill is not a major bill, but we have an agricultural bill, an appropriation bill, and a social security bill, among others, programed for the week.

Mr. COLMER. Of course, I do observe that it is a very busy week, but we have had some very quiet weeks.

Mr. ALBERT. I can assure the gentleman that I shall do my best to accommodate the gentleman and program the bill in which the gentleman is interested in due course—probably the week of June 27.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman.

Mr. ANDERSEN of Minnesota. I asked the gentleman to yield for the purpose of asking the acting majority leader regarding the Poage farm bill. I understand a rule was granted on that bill this morning; is that correct?

Mr. ALBERT. The gentleman is correct. That bill is programed as the first order of business following the Private Calendar on Tuesday next.

Mr. ANDERSEN of Minnesota. In other words, we will finally have our day in court?

Mr. ALBERT. The gentleman is correct.

Mr. ANDERSEN of Minnesota. Can the gentleman advise whether that is an open rule?

Mr. ALBERT. It is an open rule with 2 hours of general debate.

Mr. ANDERSEN of Minnesota. With every opportunity to offer amendments?

Mr. ALBERT. The rule is entirely open.

Mr. ANDERSEN of Minnesota. I thank the gentleman.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman.

Mr. GATHINGS. On what day is the bill H.R. 12176 set down?

Mr. ALBERT. It is set down as part of the group to be called Wednesday, Thursday, Friday, and Saturday, following the social security bill, the license and rehearing bill, the supplemental appropriation bill, and the food additives control bill.

Mr. GATHINGS. The rule was granted on that bill the week before last.

Mr. ALBERT. It is the plan of the leadership to reach this bill next week.

Mr. PASSMAN. Mr. Chairman, I move to strike out the requisite number of words.

For fear there may possibly be some misunderstanding with respect to the amount of military assistance funds, let me say now that we indicated earlier an amount of \$2,044 million in obligated unexpended funds and \$35 million in unobligated funds. The bill provides that these funds would carry over into the new fiscal year. I should like to direct the attention of the committee to the fact that the total of \$35 million in unobligated funds is now reserved, and therefore, there will be no unobligated funds in the military assistance category. But that fact does not decrease in any manner the amount of money available; it simply means that the unliquidated balances will move up another \$35 million. Inasmuch as I discussed this situation with the Comptroller today, I must bring it to your attention.

But, this does not alter the fact that, by using the transferability, there would be \$1,900 million available for the military aid program. If you do approve, on a record vote, the amendment to increase these funds, then, by using transferability, the total for expenditure would really be \$2,100 million. I do not believe you are going to approve the increase.

The Clerk read, as follows:

Program of United Nations High Commissioner for Refugees: For contributions authorized by section 405(c), \$1,300,000.

Mr. BARR. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been sitting here for 2 days waiting for some facts on this bill to come out, and I decided that I might as well ask the questions myself. We are dealing here with an appropriation bill, but the impact of this bill, while it does have an effect on the budget of the United States, still that is only one side of the whole impact of this bill. Probably its major impact is on the balance of payments of this Nation. Our international balance of payments is in more trouble than our financial situation at home.

Would somebody like to answer this question for me: You have a \$3,400 million bill that we are discussing today. What is the effect of this on our international balance of payments? How much money do we have to earn in our trade balance to finance this bill? I am not talking about American dollars, I am talking about trade balances.

Mr. CONTE. The latest figures we have for our trade balance, January to April of this year, are exports, \$6,288 million, imports, \$5,036 million, making a surplus of \$1,251 million. For the same period last year we had a surplus of \$399 million. Therefore, it looks like we may end up with a \$3 billion trade surplus for 1960.

Mr. BARR. I am aware of that. We have consistently since 1950 run an excess in our trade balance. But, we spent or invested \$15 billion more than we have earned. We have spent it partly through these programs. The point I am making is this. We cannot continue this indefinitely. We have \$7 billion worth of free gold to handle \$19 billion in short

term trade balances. When that figure drops much lower, you are going to have every speculator all over the world trading on the credit of the United States. There is an alternative I am asking if the gentleman would recommend—could we strike the 25-percent gold requirement behind the currency? Will the gentleman recommend that? You are getting very close to this place. You are going to have to do something. You are not going to go much further. Last year the deficit in our balance was about \$4 billion. This year it can be about \$2 billion. This is something we might as well wake up to in this Congress. Our national debt is a matter of concern, but our international balance of payments problem is right on top of us. We cannot go much further. I would be delighted if anybody has an answer to this. This is a matter of concern to me.

Mr. COFFIN. Mr. Chairman, will the gentleman yield?

Mr. BARR. I yield to the gentleman from Maine.

Mr. COFFIN. The gentleman is a good enough economist to know that this is not the only factor in the balance of payments. He also knows even if we abolish the entire foreign aid program, it would not solve the problem.

Mr. BARR. That is true. That is the reason I have asked these questions. Can the gentleman answer the question as to what he anticipates the impact of this \$3.5 billion bill to be on our international balance of payments—how much of it is going to be a drain on our balance of payments?

Mr. COFFIN. I do not think anyone can answer that. I would say that for this coming year, it would be in the order of several hundred million dollars, but not as much as last year. We are in a better position this year than we were in last year. I think the ultimate answer lies in exports.

Mr. BARR. I agree.

Mr. COFFIN. I think we are beginning with our Export-Import Bank export credit program to stimulate exports and the Department of Commerce program will enable our businessmen to be interested and effective in exports activities. I am optimistic in the long run.

Mr. PASSMAN. Is it not true that we have just about already priced ourselves out of the world markets? Many of the recipient nations are now requesting that automobiles, jeeps and trucks and so on be bought from Japan or Great Britain because they cost from 20 percent to 30 percent less than they cost in this country?

Mr. BARR. I am not aware of that.

Mr. PASSMAN. That is true. I can assure the gentleman.

Mr. BARR. If that is true, then buying overseas is a direct drain on our balance of payments.

Mr. PASSMAN. The gentleman is absolutely correct and furthermore that is true.

Mr. BARR. I would say this very definitely, if you are going to give this money away, you had better give it away on things that we can buy in the United States. We had better be pretty care-

ful because we are uncomfortably close to the limit.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. BARR. I yield.

Mr. RHODES of Arizona. The gentleman has asked a very good question. I have taken my pencil and tried to come up with what I think is a fairly reasonable answer. On the military assistance program, approximately 90 percent is spent in the United States, so that only the equipment leaves this country. Therefore, it does not affect the balance of payments. Only \$180 million of it will affect the balance of payments.

In the special assistance category, practically all of it goes out in dollars—about \$206 million, and I would say that that would affect the balance of payment.

On the technical cooperation program, most of that goes out in dollars to the extent of \$150 million.

Three hundred and sixty million dollars is about 60 percent of the amount recommended for defense support which I believe is a fair estimate of the dollars which go out.

Mr. BARR. In other words, about \$1 billion.

Mr. RHODES of Arizona. My personal estimate is somewhere between \$900 million and \$1 billion.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, and be open to points of order and amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. Are there any points of order to any part of the remainder of the bill?

Mr. GROSS. Mr. Chairman, I make a point of order against the language on page 5, lines 1 through 8, inclusive, on the grounds it is not in order on a general appropriation bill under clause 5 of rule XXI. This language provides for the reappropriation of funds previously made available and is not permitted under the rules of the House—paragraph 5 of rule XXI which reads, in pertinent part, as follows:

No general appropriation bill or amendment thereto shall be received or considered if it contains a provision reappropriating unexpended balances of appropriations.

It is true that the mutual security authorization law authorizes reappropriations of unexpended balances, but that authority was last contained in section 548 enacted in calendar year 1956. Subsequent to that time, and at the beginning of the 86th Congress, the House adopted rules from which I have just read. Inasmuch as this rulemaking action occurred subsequent to the latest action by law, and there has been no enactment by statute on the particular matter during the present Congress, the rules of the House govern in this situation. Furthermore, it is well settled in the precedents that the power of the House to make its own rules may not be

impaired by a law passed by a prior Congress. Therefore, I ask that my point of order be sustained.

Mr. PASSMAN. Mr. Chairman, the gentleman from Iowa [Mr. Gross] was considerate enough to advise us in advance of his intention to make this point of order. He has stated the facts of the matter accurately. I have discussed this point of order with other Members and we have carefully reviewed the situation. Most regretfully I must concede that the point of order is well taken.

The CHAIRMAN. The Chair sustains the point of order.

Mr. GROSS. Mr. Chairman, I have another point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Mr. Chairman, I make a point of order against the language appearing on page 12, line 24, after the figures "\$6,250" and the comma, "and not to exceed \$9,000 for entertainment allowances for members of the Board of Directors when specifically authorized by the Chairman of the Board."

Mr. Chairman, I hold that this confers additional duties upon the Chairman of the Board, duties that might be distasteful to him under some circumstances. I ask that the point of order be sustained.

Mr. PASSMAN. Mr. Chairman, this is regular language in the appropriation bill, and it requires additional duties; but it is germane and not subject to a point of order.

The CHAIRMAN. The Chair wants to hear from the gentleman from Louisiana as to whether or not this particular language "when specifically authorized by the Chairman of the Board" is authorized by law, not whether it is germane.

Mr. PASSMAN. I do not have the original authorizing language at hand. In the interest of time we will concede the point of order.

The CHAIRMAN. The Chair sustains the point of order.

Are there further points of order to the remaining portions of the bill? If not the Chair will entertain amendments.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: Strike out lines 19, 20, and 21 on page 7, and renumber following sections.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Illinois [Mr. Yates] is recognized in support of his amendment.

Mr. YATES. Mr. Chairman, it is inconceivable that this section should not be stricken. In a world in which we much too frequently find ourselves the butt of criticism and protest, the one bright spot is the achievement of the U.S. representatives in having paved the way at long last for abatement of hos-

tilities between India and Pakistan. It is not too much to say that our prestige throughout Asia rides with the success of that settlement. And our prestige throughout Asia rides with this amendment because section 107 crushes that program.

Since 1947, when India was partitioned and the new state of Pakistan created, the controversy has raged between them as to a proper sharing of the waters of the rivers of the Indus Basin. The Indus Basin has been one of the principal food sources of the area. Both nations are rightfully concerned with the proper allocation of the waters. Forty million people are affected by this decision. This dispute is one of the main sources of friction between India and Pakistan, and they have been quarreling with each other, rather than standing united against a possible common aggressor. I say possible aggressor, the fact is that the Communist Chinese have already invaded and settled in the northern approaches to India.

The United States has been hailed throughout the free world for her role in bringing the two countries together in a prospective agreement for sharing the waters of the Indus.

It will be argued that this project is much too expensive and that our contribution is much too great. The fact remains that the financing of this project is being shared by six other nations. This is the first major cooperative effort between the great nations of the free world to initiate a program of joint contributions for helping solve economic difficulties of underdeveloped nations.

How many times have we heard upon this floor, and properly so, the argument that the United States has long carried too much of the burden of helping in the development of new nations that assistance should be cooperative? The Indus Basin proposal is such a joint effort. Significant contributions will be made by other nations and the success of the project will be a resounding victory for a peaceful and rational settlement of disputes between nations.

Helping complete the Indus project is the best possible expression of our concept of technical assistance. It will enable two great and friendly nations of Asia to concentrate their energies and resources on improving their economic and social development instead of expending their efforts in quarreling.

It will permit two great nations of Asia to reduce their concentration of military forces against each other and encourage their cooperation against the military threat from the outside.

It will permit the United States to project a true image of herself to the world as a peacemaker.

I urge adoption of this amendment.

Mr. PASSMAN. There is no section of the bill over which there has been greater misunderstanding. The intent was not to interfere with anything that had been previously authorized to be done. It is to be regretted that time has not permitted detailed explanation. It was not the purpose of the committee to cripple the project, but rather to hold up dollar funds not exceeding \$5 million

for this year only, until we could get additional important information. There has, unfortunately, been much misinterpretation and misunderstanding of this situation.

Mr. YATES. Do I understand the chairman has accepted this amendment?

Mr. PASSMAN. The chairman of the subcommittee has no right to accept, personally, any amendment.

Mr. YATES. It was my understanding a few moments ago the gentleman said he had the intention of accepting my amendment.

Mr. PASSMAN. The gentleman from Louisiana is learning more about the rules of the House every hour of the day.

Mr. YATES. The gentleman is not learning more about the rules of the House. The gentleman is learning more about the chairman of the subcommittee.

Mr. PASSMAN. Will the gentleman yield further?

Mr. YATES. I want to proceed with my amendment.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Indiana.

Mr. HALLECK. In some remarks I made earlier in the day I indicated support of this amendment. I hope the amendment will be agreed to.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman.

Mr. PASSMAN. I was not speaking about the gentleman from Illinois understanding the rules. The gentleman from Louisiana was informed a little while ago that he had no authority under the rules, to accept any amendment. Therefore, I am trying to abide by the rules.

Mr. YATES. That rule applies to the gentleman individually; but when the gentleman has said members of the committee are willing to accept the amendment, it is my understanding he may do so.

Mr. PASSMAN. All of the members are not willing to accept the amendment, I may say to the gentleman.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Ohio.

Mr. HAYS. I would like to say, briefly, that I support the gentleman's amendment, because this Indus River project is the kind of a project which, in my opinion, will have some chance of doing the job we want to do in these areas; that is, meeting the Communist threat head on at the village level, down to the standard of living level, at the level where people are on a bare subsistence. It is the kind of project which they can understand and which will do them some good and certainly will do them a lot more good than sending arms in there to keep some dictator in power. I think the gentleman's amendment should be adopted.

Mr. YATES. I thank the gentleman for his comment. He is exactly right, because today in a world in which we find ourselves much too frequently the

butt of criticism and the butt of protest, the one bright spot that we have in the world today is the achievement of U.S. representatives in paving the way at long last for the abatement of hostilities between the two great Asiatic nations, Pakistan and India. It is not too much to say that the prestige of the United States in Asia will rise with the success of that settlement, and it is not too much to say that the success and prestige of the United States will rise with adoption of this amendment.

Since 1947 when India was partitioned and the new state of Pakistan was created, a controversy has raged as to the proper sharing of the waters of the Indus River. That has been one of the principal sources of food for that section of the world. Forty million people are affected. This dispute is one of the main sources of friction between India and Pakistan. These two nations are tending to quarrel between themselves instead of standing united against a prospective Chinese Communist aggression on their borders. I said "prospective," but I think that word is wrong because actually Red China has already entered the approaches of India and has settled there.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. YATES. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

Mr. MASON. Mr. Chairman, I object.

Mr. GARY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. YATES] and I do this for the purpose of giving the Congress the facts in connection with the amendment.

This is a billion-dollar project, or slightly over a billion dollars, and the United States is being asked to contribute \$515 million of the billion dollars.

When they came before our committee, they were unable to give us the necessary facts concerning the construction and other features of the plan. Now, if anyone would propose such a billion-dollar project for the United States without the necessary facts to support it, it would not be considered for 5 minutes. Our committee has not turned the project down. We are not opposed to the project, and we so state in the committee report as follows: In connection with the provision relating to the development of the Indus Basin, the committee believes that this project is of such magnitude and ultimate expansion that more study and consideration should be given thereto before any obligations are incurred by the mutual security program for this purpose.

All we are doing is asking for time and the facts. If the Congress wants to embark upon a billion dollar contract of which we shall furnish \$515 million of the funds without the necessary facts to guide us, it may do so by voting for the amendment. Personally I want the facts before proceeding further.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Illinois.

Mr. YATES. Is it not true that throughout these hearings there is tes-

timony which fully justifies the Indus Basin project? Secondly, is it not true that the contribution and the loans of the United States are to be made over a period of 10 years? Is it not true, further, that contributions are to be made by six other nations of the free world, and that this is the first time that we have had a cooperative undertaking to develop the economy of an underdeveloped nation? Is it not true, further, that it is the wish of this Congress that our burden of helping the underdeveloped nations of the world be shared more and more by other nations? Why do we want to stop it by the language of this bill?

Mr. GARY. Those are the facts we want to go into. If six nations of the world are going to contribute to this project, why should the United States contribute over half of the funds?

Mr. YATES. Is the gentleman from Illinois correct in declaring that our representatives have tried for 9 years to get a settlement of this project. It has only been because of the recommendations of our officials that the disputing nations have approached any settlement at this time. Of course, it is done, and the language of this section will suspend all further negotiations.

Mr. GARY. Not at all.

Mr. YATES. Why of course it will, pending such time as this committee completes its study.

Mr. GARY. Why should we be asked to contribute funds for a project when an agreement has not been reached?

Mr. YATES. There has been tentative agreement reached. The record shows what the proposed schedule of cost-sharing is between other countries and our and the additional data that describes the progress made.

Mr. GARY. Has the agreement been signed?

Mr. YATES. No, the contract has not been signed because it cannot be signed without commitments as to funding. This section stops any hope of agreement.

Mr. GARY. Yet they ask us to commit ourselves to this billion-dollar project without the facts.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. PASSMAN. Mr. Chairman, I move to strike out the requisite number of words.

It was not the intent of the committee to stop this project, and this proviso does not stop it. This is a billion-dollar contract. Let me quote this colloquy from our hearings:

Mr. PASSMAN. And that is the present estimate?

Mr. BRAND. Yes.

Mr. PASSMAN. It could be far in excess of that amount; could it not?

Mr. BRAND. That is the present estimate, and I am not advised as to the latter point, but I do not take issue with the chairman's observation.

If that is not a vague response, then I have never heard or read vague language. This project might cost up to \$2 billion, and maybe even more.

We merely state in section 107 that—

None of the funds herein appropriated shall be used to carry out the provisions of

section 404 of the Mutual Security Act of 1954, as amended.

It has nothing to do with previous allocations whatsoever, either of dollar funds or local currencies. I can assure the House that that is true.

In our hearings, we asked the question, "What amount will you require this year?" They did not state they would require anything at all, but that certainly they would not want in excess of \$5 million. So, we are dealing here entirely with this year's appropriation.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. GALLAGHER. I would like to point out that in view of the provision we adopted here today, unless the Indus Basin project is approved here today, they will be unable to enter into negotiations under the initiation plan which the gentleman introduced in this bill.

Mr. PASSMAN. No, that does not follow. I can assure the gentleman again that what has already been agreed to is in effect. Our commitments are quite substantial, already, as I understand it. This limitation does not stop the project.

There is some classified information here which I am not privileged to discuss on the floor at this time, but I again assure the gentleman that the limitation applies only to the funds for this year, and does not apply to prior funds or to proceeding with the project itself. If the gentleman will call the State Department, he will find out that I am giving him the correct information.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman.

Mr. HAYS. Do I understand the gentleman is opposed to the amendment of the gentleman from Illinois?

Mr. PASSMAN. My motion was to strike out the requisite number of words.

Mr. HAYS. I am trying to find out whether the gentleman is for the amendment or against the amendment. That is a simple question. Can the gentleman answer that yes or no?

Mr. PASSMAN. I may say that I am not going to vote against the amendment.

Mr. HAYS. That is good enough. Let me ask this further. Is it not true that a good deal of the money we are talking about is counterpart funds, Public Law 480 funds, and so on, which we have no chance of ever getting back anyway?

Mr. PASSMAN. There is a substantial amount of local currency involved. I cannot state at the moment from what particular fund it has been, or might be, derived.

Mr. HAYS. And we have to use it under the law. If we do not, it would just dribble away to nothing.

Mr. PASSMAN. Is not the gentleman referring to the Development Loan Fund local currency repayments, rather than Public Law 480 funds?

Mr. HAYS. I am talking about local currencies. I do not care whether the local currencies are generated under the Development Loan Fund or Public Law

480 or any of the other funds. I will include all of them. It is still local currency that we will never be able to change over into dollars.

Mr. PASSMAN. I am not quarreling with the gentleman. Whatever amount has already been obligated out of the various funds, whether dollars or local currencies, there is nothing we can do about it.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman.

Mr. YATES. Is it not essential that this provision be stricken in view of the fact that the gentleman has stated that we already have invested a certain amount of money in this project, so why should we hold up further development of it?

Mr. PASSMAN. Five million dollars, in dollar funds, is the only amount which might be involved in the present bill. I might say to the gentleman again that the information we received was very vague as to what the ultimate cost would be; and I think the Committee should possibly be commended for requesting more information, instead of giving a blank check, without possession of many of the pertinent facts which should be known by the Congress.

The CHAIRMAN (Mr. BASS of Tennessee). The time of the gentleman from Louisiana [Mr. PASSMAN] has expired.

Mr. CONTE. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Chairman, will the gentleman yield for a unanimous consent request?

Mr. CONTE. I yield.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close at 6 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. JUDD. Mr. Chairman, reserving the right to object, how many amendments are there?

The CHAIRMAN. The Chair is not in a position to answer that question.

Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS and Mr. O'HARA of Illinois objected.

Mr. PASSMAN. Mr. Chairman, I move that all debate on the bill and all amendments thereto close at 6 o'clock.

The CHAIRMAN. The question is on the motion offered by the gentleman from Louisiana.

The motion was agreed to.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Michigan.

Mr. FORD. May I say to the gentleman from Massachusetts that I support the amendment offered by the gentleman from Illinois and I endorse the remarks that are to be made by the gentleman from Massachusetts.

Mr. CONTE. I thank the gentleman. May I say that I am pleased to have the support of the gentleman from Illinois. He knows that I have had a long interest in this matter, and that had I had an opportunity I would have offered an amendment.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. What the gentleman is saying is exactly correct. Throughout the hundreds of pages of hearings taken on the various projects, and particularly on the Indus Basin project, the gentleman from Massachusetts has shown a firm interest in seeing that the agreement was carried out.

Mr. CONTE. I thank the gentleman from Illinois.

Mr. Chairman, section 107 of the bill prohibits the use of funds appropriated therein for the development of the Indus Basin.

This prohibition runs completely counter to section 404 of the Mutual Security Act, already approved by both Houses of Congress, which affirms the willingness of the United States to participate, in cooperation with other nations of the free world, in a highly significant program to develop the Indus Basin. This represents a singularly short-sighted action from the standpoint of the interests of the United States, both in terms of the lessening of tensions and divisive forces in this critical area and in terms of enlarging the role of other free nations in addressing the economic problems of the less-developed areas.

The controversy between Pakistan and India over the use of the Indus waters has been one of the major international conflicts of the past decade. Bitterness and violence have characterized the situation and the possibility of military conflict has been real and continuing. Through the good offices and protracted efforts of the International Bank for Reconstruction and Development, 9 years of patient negotiation have resulted in virtual agreement on the terms of equitable settlement of the controversy. Final agreement depends upon firm assurances from friendly countries of essential financial assistance required to construct the system of works recommended by the Bank.

The Bank itself plans to contribute to the costs of the development project and five other nations—the United States, Australia, New Zealand, Canada, and Germany—in addition to Pakistan and India have signified their willingness and intention to join with the United States in the funding of this project. So important is the project to the nations directly affected that India will undertake to make very substantial foreign exchange payments to Pakistan under the proposed Indus Waters Treaty. The specific amount, of which congressional committees are already informed and which will be made available on request to any Member of the Congress, will be released publicly after signature of the Waters Treaty.

U.S. participation would involve over a 10-year period the provision of \$177

million of grant assistance and \$103 million of loan assistance plus the provision of local currency arising from sales of agricultural surpluses from United States is essential to the successful conclusion of this great international effort.

It is also essential that the United States be able to make its commitment in the immediate future as an absolute precondition for the commitments of the other participants and the World Bank, and in order to make it possible for India and Pakistan to sign the necessary treaty as soon as possible.

The committee report states that the project is of such magnitude and ultimate expense that more study and consideration should be given before any obligations are incurred for this purpose under the MSP. Yet the current proposal represents the culmination of 10 years of negotiation. Geological conditions, foundation conditions, and the amount and character of construction materials have been determined for significant portions of the project, and technical and economic feasibility have been firmly established; plans and specifications have been completed and reviewed, and are ready for tender to international bidding. Preliminary reports have been prepared on other aspects of the project, and contracts have been let for preparation of plans and specifications. American engineering firms have already been engaged by the World Bank in both preliminary and advanced stages of the engineering, and an American firm will supervise major elements of the actual construction. Still another American firm serves as engineering consultant to West Pakistan's Water and Power Development Authority, and will coordinate all elements of the project.

Engineering plans are advanced to the point where the basic construction can get underway as soon as treaty agreement is reached. Actual conclusion of the treaty is expected to coincide with receipt of assurances that the outside financial aid required to carry out the project will be forthcoming. Other contributing nations have indicated their willingness to provide such assurances—all on a grant basis. It is imperative that the United States be in a position to move forward along the lines already approved by the Congress.

The provision of funds for this purpose would not only serve to contribute in a major way to the economic development of the vast subcontinent of Asia but would also contribute materially to the improvement of relations between India and Pakistan. Only the U.S.S.R. and Communist China could benefit from failure of India and Pakistan to settle their disputes. In the absence of a settlement, no one can predict the outcome with certainty, but the possibility of bitter and prolonged dispute and eventual military conflict cannot be excluded. If we do not seize this opportunity to resolve this longstanding source of irritation, it may be years before the opportunity will again arise. We are in a position to make a major contribution to world peace, to strengthen the western

orientation of nearly 500 million people and to secure the participation of other industrialized nations in the financing of the costs. To cast aside this opportunity would be an act of complete irresponsibility and contrary to the political and security interests of the United States.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. LINDSAY. Is it not a fact that this would in effect torpedo 10 years of careful work in negotiations on this subject?

Mr. CONTE. Definitely. I have mentioned that. It is a very excellent point.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. BOWLES].

(Mr. BOWLES asked and was given permission to revise and extend his remarks.)

Mr. BOWLES. Mr. Chairman, I strongly oppose section 107 of the mutual security appropriations bill. This section would deny the use of mutual security funds for the Indus Valley project.

I have been in close touch with the development of the Indus Valley project for the last 9 years. I have visited the area on several occasions—most recently in 1957.

In my opinion, it is the single most important example in the world today of a bold well planned, internationally coordinated program of economic development.

Once completed it will not only bring a better life to tens of millions of Indians and Pakistanis; it will demonstrate the capacity of the non-Communist nations—both rich and poor—to work in partnership for common ends.

No river valley project in history has been the subject of such long, thoughtful, and meticulous study by the world's most highly trained experts. Indeed the earliest studies were made some 70 years ago. In 1951 the proposal was given a new lift by David Lilienthal of our own TVA in an article in *Colliers* magazine.

In 1952 while I was U.S. Ambassador to India, it became a subject for consideration by the World Bank.

If the great Indus Valley plan which resulted from these studies collapses at this stage, the impact will be profoundly destructive not only to Pakistan and India, but also among our allies who have watched the growth and development of this project as an unprecedented effort at multinational planning which the Communist nations have not and cannot match.

The Indus Valley situation is highly complex, however, and it represents a new concept in oversea economic development. I can therefore understand the confusion which appears to have arisen in regard to it.

The Indus Basin, with its complex of six great rivers, is one of the most productive agricultural areas in the world. Nearly half of the water flowing through this basin is diverted to an irrigation system which helps provide food for some 50 million people.

In the years before and during World War II the British had developed plans

for major dams and canals which would provide a vast expansion of this irrigation system.

When India and Pakistan became free in 1947, the arbitrary border which separates these two countries cut straight across the area which was to be covered by the new program. Although the population division in this area was roughly equal, Pakistan received the bulk of the existing irrigation.

The tension and conflicts which resulted from the breakup of British India inevitably increased the obstacles to this long-planned development.

India, however, decided to move ahead with that section of the irrigation program which lay within her own borders. She was able to do so because most of the technicians and engineers familiar with this program had accepted Indian citizenship.

The result has been the great Bhakra-Nangal power and irrigation project in the Indian Punjab which I visited in 1951, 1952, 1953, 1955, and 1957. This project which is larger than any similar combination effort in the United States, China, or the Soviet Union, will provide irrigation for some 10 million acres of land.

This is an area nearly twice the size of New Jersey. It means two and even three bountiful crops each year.

The system includes some 6,000 miles of canals, varying from manmade rivers 300 or 400 feet wide and 16 feet high, to tributary canals 6 or 8 feet wide. This entire canal system has been completed and is fully lined with concrete.

The Bhakra Dam itself is the highest dam in the world, rising some 800 feet from the riverbed. It will not only control the flow of irrigation waters but will also provide electricity to light most of the city of New Delhi some 250 miles away and a vast network of villages.

Now here is a point which few Americans appreciate. This project was not the result of what some members of this body refer to as "American handouts."

Not one dollar or pound sterling of foreign aid has entered into the construction of this project. The entire capital investment of nearly \$1 billion represents foreign trade earnings of the Indian Government. Most of the earth moving machinery and electrical equipment for the powerplants was purchased in America.

The chief consulting engineer is Harvey Slocum, designer of our own Grand Coulee Dam and one of the most distinguished engineers of our era.

His salary of \$100,000 annually is paid by the Indian Government from its own funds. When I last visited there in 1957 there were also some 15 American engineering assistants all paid by India.

Most of the work however is carried on by highly qualified Indian engineers, many of them trained in American universities.

When the Bhakra-Nangal Dam project is finished on the Indian side of the border, it will produce more than \$300 million worth of agricultural products and hydroelectric power each year. This power will make possible a sizable increase in manufactured goods produced

in the industrial complex which is expected to develop rapidly.

The Bhakra-Nangal is an extraordinary achievement. However, unless the entire Indus Valley project now is allowed to proceed, it will create a highly delicate situation in this area.

According to the comprehensive original plan put together in the days of British rule, the Bhakra-Nangal Dam was part of a whole series of projects designed to provide additional water not only in this area but also to much of Pakistan as well. The Pakistani, however, have been unable to complete their part of the program because of lack of capital resources and various internal difficulties.

As a result, we now face the danger of a serious upset in the economic balance of the entire area.

According to the original plans, Bhakra-Nangal was expected to divert for use in India some of the water currently flowing into what is now Pakistan. This was to be compensated for by new canals which would substitute other water from the three western rivers that form part of the Indus Valley Basin.

For 9 years, under the patient, brilliant leadership of Eugene Black and his World Bank associates, the Governments of India and Pakistan have been slowly moving toward a common plan for the use of the water in the entire Indus Valley.

As it became clear that agreement could be reached, the World Bank went to work to provide joint financing not only from the United States but also from several other nations as well.

The result has been an Indus Basin Development Fund agreement involving the United Kingdom, Canada, West Germany, Australia, New Zealand, and the United States.

Administered through the World Bank, and in conjunction with substantial investment from both India and Pakistan, this Fund will enable the program to be successfully completed.

Mr. Chairman, I have visited many great irrigation projects in many parts of the world. However, this is by far the most exciting example I have ever seen of man's capacity to master his environment in order to provide a better life for people. The Communists have produced nothing to rival it in their own countries or anywhere else.

It provides heartwarming, reassuring evidence of the capacity of free peoples to work in partnership and to think and act in bold terms.

The specific arguments for our support of the project at this critical stage are overwhelming. Let me list them briefly:

First. The Indus Valley project has been as thoroughly studied as it is possible to imagine. Technical studies on the project began over 75 years ago under British rule.

These studies have been intensified by 8 years of investigations by the extremely capable engineers of the World Bank. The proposal for further study should mislead no one.

Second. The project is of crucial importance to the agricultural development

of Pakistan. It is also of exceptional importance to India, opening countless acres in the Punjab to cultivation as part of India's effort to overcome its nutritive food deficit.

Third. The withdrawal of the United States from participation would lead to the abrupt, tragic collapse of the entire project. This is not a project which can be attacked in small bits and pieces, as the long and arduous difficulties with the technical impediments have clearly demonstrated. Our participation is essential to the project's structure.

Fourth. The settlement of the Indus River dispute is a major key to easing the unhappy antagonism between India and Pakistan. Support for, and participation in, the Indus Valley project is the most important single step which the United States can take to ease this conflict.

Fifth. International participation in the financing of the Indus Valley project has been achieved to an exceptional degree. Both the administration and the Congress have been seeking precisely this sort of wide international sharing of the burden of international economic development.

At this stage, the failure of our Government to understand the enormous promise of this project and the complexity of the agreements which made it possible would further undermine worldwide confidence in our leadership, already dangerously shaken by recent events.

Mr. Chairman, in view of these facts, I urge section 107 be struck from the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. ZABLOCKI].

Mr. ZABLOCKI. Mr. Chairman, I hope this amendment will prevail. India and Pakistan have been negotiating for years in order to bring about the realization of this project. It would be a tragic mistake if we, by our action here today, would disrupt their efforts.

I have followed the developments in India and Pakistan over the last decade with great care. It happens that these two countries are within the area over which the Subcommittee on the Far East and the Pacific, of which I am chairman, has jurisdiction. Hence, I think I have some basis for making an assessment of the importance of the Indus Basin project.

It must be recognized that the division of the Indian subcontinent in 1947 was in itself a real tragedy for the economic development of that area. Be that as it may, it is an accomplished fact that these two nations exist. Much of the animosity between the two nations is based upon differences in culture. Another very real difference that separates them, however, has been the dispute over the use of the Indus River and the waters of its tributaries. These rivers and the canals which connect them had been developed by the British to form an integrated network for irrigation. With the separation of the continent into two countries that integrated system of waterworks collapsed. The result has been that neither nation has been able fully to utilize this tremendous natural asset.

The project which the World Bank has developed is the work of 10 years of laborious political as well as economic negotiations. What we are asked to do in the language of this bill is to reject the careful survey prepared by competent and disinterested experts. It should be remembered that the United States is financing only a portion of the cost of this project. The World Bank itself is putting in a sizable sum as are other countries in the free world.

This is an expression of unity of purpose not only by India and Pakistan, who are the immediate beneficiaries of the project, but also of other capital exporting nations.

I do not accept the argument advanced by the gentleman from Louisiana that the Appropriations Committee language does not stop the project. I think it does. In order that there may be no doubt of the intent of the committee, however, I urge the adoption of the amendment offered by the gentleman from Illinois.

(Mr. ZABLOCKI asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, a great deal has been said during the debate about other countries allegedly not helping as much as they ought to in development programs around the world. Those who have said that certainly ought to support this amendment. It is a project to which Germany, Canada, Australia, New Zealand, and Great Britain as well as India, Pakistan, and the World Bank contribute, all pulling their full share under a general agreement to build this enormously important development project.

The nubbin of the situation is this: Four of the five main rivers in the Indus Basin rise in India or flow through India into Pakistan. How is the water to be divided or diverted in order to be of greatest use in producing food for both? If India were to cut off the water, Pakistan would starve to death, and the Pakistani have feared that. There has been years of conflict and suspicion. Now under the leadership of the World Bank a plan has been agreed to under which this can be developed to the satisfaction of all.

This is a project of incalculable value to that great subcontinent which has a greater population than that other peninsula known as Europe projecting off the Eurasian continent. It would be tragic in its effects upon the free world if we did not go ahead wholeheartedly with this agreement now that a solution is in sight after 8 years of effort. I urge adoption of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Chairman, I would like to give the chairman of our Subcommittee on the Far East and Pacific, the gentleman from Wisconsin [Mr. ZABLOCKI] the opportunity to state whether more is not involved in this amendment than even multilateral aid.

This marks the first rapprochement between Pakistan and India. Would not the psychological effect of the failure of this amendment be tremendous, not only in the area involved but among all the nations who have agreed to undertake this project?

Mr. ZABLOCKI. The gentlewoman is absolutely correct.

The gentlewoman has asked an incisive question which carries with it an implication in which I share; namely, that the inclusion of the Appropriations Committee language in the law would have a tremendous adverse effect on all the countries of that area, particularly India and Pakistan.

I commend my distinguished colleague for asking this important question.

Mrs. CHURCH. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I rise in wholehearted support of this amendment to insure we, the people of the United States, join with the people of India and Pakistan in developing the vast Indus River Valley with the help of other nations. India and Pakistan together comprise the largest areas of free people in the world. It is to be hoped India and Pakistan can work together as a unit. We must support and encourage these two friendly peoples in this undertaking for the development of the Indus River and the progress of Asia, and Asian peoples.

I hope the limitation can be taken off the President's contingency fund because it will help our good friends the people of Israel to the extent of \$7,500,000 in continuing in 1961, the full program for Israel's development.

The use of the contingency fund should be left to the discretion of the President, upon the recommendations of the Department of State and the International Cooperation Administration. The people and the Government of Israel are wonderful democratic friends of America in the mideast and they are making real progress against difficult odds. We must continue to encourage the people of Israel in their fine progress, and must stand behind them for their security, the security of the United States, as well as of the free world.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CURTIS].

Mr. CURTIS of Massachusetts. Mr. Chairman, I would like to ask a question of my distinguished colleague, the former Ambassador to India, the gentleman from Connecticut [Mr. BOWLES]. Is it not true that the passage of this legislation will be helpful in bringing together these two great countries which have had difficulties in the past?

I have even heard that they are holding up their ratification of their treaty relating to the Indus Basin until our own country takes action on this subject. Are there not strong political implications in the present situation?

Mr. BOWLES. The division of India into two nations was in itself tragic,

This dam is a most important and very essential project, for it is a step that will pull these two countries together.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I want again to make it clear that the budget did not request \$1 for this program. Later, it was stated that up to \$5 million might possibly be needed. The proviso in the bill does not upset the present project, and it does not prohibit the use of the previously generated local currencies. We put this provision in the bill in order to get these people to come back later and tell us, with some reasonable degree of justification, whether or not the project is stopping at a billion dollars or whether it will eventually cost, say, \$2 billion or even more.

The CHAIRMAN. Does any other Member desire to be heard on this amendment?

The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The amendment was agreed to.

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: On page 5, line 11, strike out the colon and strike out lines 12 through 14, inclusive, and insert in lieu thereof a period.

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, in the brief time allotted to me, may I say that the Appropriations Subcommittee put a limitation on the \$150-million contingency fund which is the fund controlled by the President for use in emergencies throughout the world. Under the limitation put on by the Appropriations Subcommittee it would prohibit the use of any money in the contingency fund for any project or for any activity for which an estimate had been submitted to the Congress. In other words, Mr. Chairman, if any estimate for mutual security assistance, defense loans or development loans has been made and if an emergency should arise, if we had a war break out in Laos or had a war break out in Korea, the President could not use any of this money in the contingency fund because an estimate has already been presented to the Congress.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. RHODES of Arizona. Mr. Chairman, I rise in support of the pending amendment.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, the contingency fund of the President is only 5 percent of the entire mutual security budget. What you are telling the President is this: Do not come up to the Appropriations Committee and tell us what you are going to do with this money because if you do we are not going to allow you to take any of that money out of that appropriation for any estimates

that you told us about. In other words, this is completely contrary to the philosophy of the Appropriations Committee which is against back-door spending.

This is a very serious amendment, and I hope, Mr. Chairman, that the Congress will see fit to eliminate this limitation. It will not add 1 cent to the budget; it simply strikes out the limitation.

Mr. ALFORD. Mr. Chairman, I move to strike out the requisite number of words.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. ALFORD. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I was in hopes that the gentleman from New York [Mr. TABER] who, I believe, proposed the language of this amendment and supported it in committee, would explain it now, and why it is necessary.

Mr. TABER. I do not think I offered it, but the situation is this: It is a very silly thing not to adopt it, that is, not stick by the language that is in the bill because that language simply prevents people from getting money out of the contingency fund where the committee has been presented with an estimate and it has been refused. It lets the cats and dogs get in for another try.

Mr. PASSMAN. The administration has been using the Contingency Fund to nullify the action of Congress in reducing the authorization requests and also in reducing the budget estimates. That is why the committee adopted this proviso.

Mr. TABER. That is exactly right.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONTE].

The question was taken; and on a division (demanded by Mr. CONTE) there were—ayes 50, noes 82.

So the amendment was rejected.

Mr. SANTANGELO. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. SANTANGELO: On page 9, after line 11, add new section as follows:

"SEC. 114. None of the funds contained in title I of this Act may be used to enter into any contract with any person, organization, company, or concern or any of its affiliates who has offered or who offers to provide compensation to an employee of the International Cooperation Administration or who provides compensation to any former employee of the International Cooperation Administration whose annual salary exceeds \$5,000 and who has left employment with the International Cooperation Administration within two years of the date of employment with said person, organization, company, or concern, or any of its affiliates."

Mr. GARY. Mr. Chairman, I make the point of order against the amendment on the ground that it is legislation on an appropriation bill.

The CHAIRMAN. The Chair will be glad to hear the gentleman from New York.

Mr. SANTANGELO. Mr. Chairman, this amendment was offered to a bill last year. Similar language was objected to in a different type of bill, and the Chair, at the time the gentleman from New York [Mr. KEOGH], overruled the point of order. This is a limitation upon expend-

itures. This in no wise is an authorization to do anything except a limitation on funds. I say it does not violate the parliamentary rules.

The CHAIRMAN. Does the gentleman from Virginia desire to be heard further on the point of order?

Mr. GARY. It requires additional duties and certainly is legislation on an appropriation bill, and I insist on the point of order.

The CHAIRMAN (Mr. MILLS). The Chair has had an opportunity to examine the language of the amendment offered by the gentleman from New York [Mr. SANTANGELO] and has had an opportunity also to review what transpired in connection with a similar matter when it was offered as an amendment to an appropriation bill last year. This amendment seems to be similar to the amendment offered last year except for the \$5,000 limitation in this amendment. Last year the present occupant of the Chair, when such an amendment was offered, pointed out that the amendment was in order at that time and overruled the point of order made then.

So, the Chair overrules the point of order made by the gentleman from Virginia.

(Mr. SANTANGELO asked and was given permission to revise and extend his remarks.)

Mr. SANTANGELO. Mr. Chairman, this amendment is designed to eliminate the feather-your-nest practices which have grown up in the ICA under our mutual security program and seeks to eliminate some of the waste, excesses and corruption. The chairman of the subcommittee, Mr. PASSMAN, detailed a number of instances of underestimates and waste in our program to help the underdeveloped nations of the world.

I am firmly convinced we still believe that it is our duty to bridge the economic gap between the haves and have-nots and that, as world leaders, we have an obligation to assist those nations to develop their resources and to raise the standard of living of their peoples. In the administration of our mutual security program, we have been prodigal, inefficient, and wasteful. Too often excessive costs have been caused by lack of planning and bad administration. Frequently, excessive costs have been caused by corruption and dishonesty. In the Committee on Government Operations, Report No. 7, House Report No. 546, we read of instances of corruption by ICA officials, who after their service of employment with the ICA obtained employment with contractors doing work under the supervision of the ICA.

In the administration in Laos, the committee report indicates several glaring examples. Edwin McNamara, a public works and industry officer of ICA, accepted bribes totaling \$13,000 from a construction company known as the Universal Construction Co. through its officers, Willis Bird and Gerald Peabody.

William Kirby, area transportation adviser, aided by one of the ICA directors, Carter dePaul, who circumvented ICA regulations, was instrumental in securing the award of a contract for

the supply of ferry barges to the Hong Kong Transportation Co. Shortly thereafter, Mr. Kirby was employed by its affiliate, Pacific Island Shipbuilding Co. While the contract was being negotiated, this gentleman was the recipient of \$500 from the Hong Kong Transportation Co.

Lacey V. Murrow, U.S. Army, retired, head of an engineering firm of Transportation Consultants, Inc., was under retainer to Vinnell Co. at the same time he was employed by ICA in Laos as an engineering consultant for the purpose of assisting in the selection of construction projects. During this period Vinnell Co. was seeking to obtain contracts with ICA in Laos.

Norman McKay, an employee of Transportation Consultants, Inc., acting as consultant to the USOM was instrumental in securing the award to Universal Construction Co. of a contract to construct a ferry ramp in Laos. Shortly thereafter, he went to work for Universal as project manager.

Carter dePaul, former USOM director, sold his 1947 Cadillac upon his departure from Laos to Gerald Peabody, the head of the Universal Construction Co., at an inflated price. The car whose value was approximately \$600 was sold for over \$3,000 and was in an inoperable condition. The story of this USOM director, Carter dePaul, is an ugly one and it shows brazenness by an ICA director and a callous disregard or unconcern by law enforcement officials.

In Thailand, other examples of "feather your nest" practices showed up. These were disclosed by the Committee on Government Operations in its 29th report.

The CHAIRMAN. The time of the gentleman from New York has expired. The Chair recognizes the gentleman from Illinois [Mr. COLLIER].

(Mr. COLLIER asked and was given permission to yield his time to Mr. SANTANGELO.)

Mr. SANTANGELO. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I would like to give the Committee a few instances of what I have been talking about.

Thomas Hill, the Public Works Chief of USOM, Thailand, and one of his subordinate engineers, Herluf Larsen, were desirous of future employment by a construction company, Sverdrup & Parcel. Mr. Hill had overall responsibility for all construction projects in Thailand and was responsible for holding Sverdrup & Parcel to a proper performance of the contract. Larsen was charged with specific responsibility of supervising the Northeast Highway. Hill was hired by Sverdrup & Parcel on July 1, 1957. Larsen applied for a job with Sverdrup & Parcel in January of 1957, and continued to supervise the performance of that firm until October of 1957. Larsen was finally offered a job but because of reasons of health, refused it. Larsen had been invited to submit his application for employment by the firm's president, General Sverdrup, while they both were attending a meeting held in ICA, Washington, the purpose of which was to con-

sider the selection of an engineer for the Bangkok-Saraburi Highway. Sverdrup & Parcel was interested in obtaining the contract. Hill and Larsen both recommended that the contract for the Bangkok-Saraburi road be awarded to Sverdrup & Parcel without the formality of seeking competitive proposals from other firms. This amendment places the burden on the person who profits through the employment of ICA personnel.

I support the mutual security program and desire that it be effective. This mutual security bill appropriates for fiscal year 1961 \$3,384,500,000, which reduces the budget's estimate by \$790,500,000. I believe there are adequate funds to do an effective job. This appropriation eliminates the fat and the waste and maintains inherent strength of our efforts to help the nations of the world. I trust my amendment will pass and thus eliminate a weakness in the administration of our mutual security program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SANTANGELO]. The amendment was agreed to.

Mr. MONAGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONAGAN: On page 6, immediately below line 12, insert the following:

"SEC. 101. None of the funds herein appropriated shall be used to carry out any provision of chapter II, III, or IV of the Mutual Security Act of 1954, as amended, during any period when more than twenty days have elapsed between the request for, and the furnishing of, any document, paper, communication, audit, review, finding, recommendation, report, or other material relating to the administration of such provision by the International Cooperation Administration, to the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriation for or expenditures of the International Cooperation Administration and the Department of State."

Mr. FORD. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state it.

Mr. FORD. It is obvious to me, listening to the amendment which has been read, that it puts additional duties on individuals in the executive branch and therefore is subject to a point of order.

The CHAIRMAN. Does the gentleman from Connecticut desire to be heard on the point of order?

Mr. MONAGAN. Mr. Chairman, this same amendment was offered last year. A point of order was raised against it at that time and the point of order was overruled. This is not legislation. It is merely a limitation on the appropriation.

The CHAIRMAN (Mr. MILLS). The Chair is ready to rule. The Chair has had an opportunity to examine the language of the amendment offered by the gentleman from Connecticut and finds that the language offered by the gentleman is similar, if not identical, with the language which was offered to the appropriation bill last year by the gentle-

man from Virginia [Mr. HARDY] on July 28, 1959.

Mr. MONAGAN. It is identical.

The CHAIRMAN. The amendment is set forth on page 13263 of the CONGRESSIONAL RECORD of that day. The Chair on that occasion held that the language was a limitation and in order on the Appropriation Bill and overruled the point of order.

The Chair is constrained to overrule the point of order now.

The gentleman from Connecticut is recognized.

(Mr. MONAGAN asked and was given permission to revise and extend his remarks.)

Mr. MONAGAN. Mr. Chairman, the purpose of this amendment is to withhold the availability of funds to the ICA as long as, after a period of 20 days have elapsed, the ICA refuses to give information to a committee of Congress or a proper subcommittee, or the General Accounting Office. In the Hardy subcommittee investigating the operations of the foreign aid program, we have run many times into the roadblock set up by the executive branch whereby pertinent information has been refused the committee with the result that we were not able to do the job that we were set up to do.

May I say that this language is in the authorization bill this year and it was also in the appropriation bill last year.

If you want the committees of Congress charged with supervising the operations of the foreign aid program to do the job that they are set up to do, they should not be manacled by the executive obstructionism that I have indicated.

I hope that the committees will support this amendment.

Mr. HARDY. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY as a substitute to the amendment offered by Mr. MONAGAN: On page 6, immediately below line 12, insert the following:

"SEC. 101. None of the funds herein appropriated shall be used to carry out any provision of chapter II, III, or IV of the Mutual Security Act of 1954, as amended, with respect to any project or activity, or in any country, during any period when more than thirty-five days have elapsed between the written request (delivered to the office of the head of the appropriate department or agency) for, and the furnishing of, any document, paper, communication, audit, review, finding, recommendation, report, or other material in possession or control of such department or agency relating to the expenditure of funds with respect to such project or activity or in such country, to the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriations for or expenditures of such department or agency."

Mr. HARDY. Mr. Chairman, the amendment offered by the gentleman from Connecticut is aimed at the very serious problem experienced by congressional committees in seeking to secure the information necessary for them to perform their functions in the mutual security field. I am offering a substitute amendment which I hope the gentleman will accept. I have no objection to his

language, which is the same as we put into the bill last year, but I have tried in my substitute to anticipate some of the objections which the Senate raised last year. These objections, as the gentleman recalls, resulted in the insertion by the Senate of language which, as subsequently worked out in conference, differed materially from the House language. We have now had some experience with that language and it has proved to be ineffective for accomplishing the purpose intended.

My purpose is the same as that of my good friend from Connecticut—to secure for the Congress that full, complete and accurate information necessary for an evaluation of the economy and efficiency of expenditures under chapters II, III, and IV of the Mutual Security Act.

Last year the Senate preferred a period of 35 days as against the 20 in the bill as it passed the House and as proposed in the amendment of the gentleman from Connecticut. My amendment would increase the period to 35 days, which conforms to the language in last year's act.

I have worked over this problem seeking to find language to fit the needs of Congress, and yet to avoid any basis for a reasonable contention that the Congress seeks to trespass upon the Executive preserve. I think the substitute which I propose does this. It is not as broad as the language of the amendment which the gentleman has just offered. It is not directed at the total area of administration, but only to information concerning expenditures. If there is one field in which the primacy of the Congress is clearly recognized, it is this field of expenditures. My amendment calls only for information relating to expenditures, as distinguished from policy documents such as memorandums of discussions between heads of states, or confidential memorandums of advice prepared for the President.

At present we have serious difficulties in getting full, complete, and accurate information from the executive branch, and getting it in timely fashion. I believe that this amendment will help us to repair this situation.

I further believe that the substitute language which I have offered will be acceptable to the Senate, since it is limited this year to information on expenditures.

Surely no one could seriously contend that the executive branch has the privilege of denying to the Congress information necessary to determine whether appropriated funds have been, or are being, spent with economy and efficiency, or that the device of "presidential certification" could be used to conceal pertinent data relating to the expenditure of such funds.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Virginia.

Mr. GARY. May I say to the gentleman that I am heartily in accord with this amendment and hope it will be adopted.

Mr. HARDY. I am deeply grateful to the gentleman.

Mr. PASSMAN. If the gentleman will yield, I think this is an excellent amendment and I am going to support it also.

Mr. HARDY. I thank the gentleman. May I ask the gentleman from Connecticut if it is agreeable with him?

Mr. MONAGAN. It is agreeable to me and I am happy to accept the substitute. I believe that the language suggested by the gentleman from Virginia will eliminate the objections which were raised last year in the Senate and will at the same time safeguard the right of Congress to full information with respect to expenditures of appropriated funds by the executive branch.

Mr. HARDY. I thank the gentleman for accepting my substitute language, and I wish to express my sincere appreciation for the gentleman's outstanding work as a member of my subcommittee.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Virginia [Mr. HARDY] to the amendment offered by the gentleman from Connecticut [Mr. MONAGAN].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. MONAGAN] as amended.

The amendment was agreed to.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: Strike out line 25 on page 7 and lines 1, 2, and 3 on page 8.

Mr. YATES. Mr. Chairman, the special program for Tropical Africa is an educational program. It is a program to help train personnel to carry on the affairs of government in the new nations of Africa. Their greatest shortage now is in trained personnel, in technicians, in educators, in skilled specialists, in short, of people who know how to conduct the affairs of government. This program proposes to alleviate that shortage of personnel.

And what does the section in the bill do? It proposes to use funds by training personnel, but requires that they be trained in the open air. It will not permit them to construct a building, a quonset hut, or even a thatched leanto. Like the oldtime song, it could require that the program be carried out "Under the bamboo tree."

This is a ridiculous provision. I hope the Committee will approve the amendment to strike out the section.

Mr. DIGGS. Mr. Chairman, section 109 of the bill prohibits the use of funds appropriated therein for the construction of any building, structure, or other similar facility in connection with the special program for Tropical Africa. I hope that the amendment by the gentleman from Illinois prevails, for I fervently believe that the limitation would seriously impair the usefulness of the special program for Tropical Africa as an instrument of U.S. policy. It makes it possible on the one hand for the United States to provide educational training, but denies on the other hand

the possibility of helping to provide the facilities necessary for such training.

The special program for Tropical Africa has as its central purposes the acceleration of African education and training to help meet the pressing and critical need for African leaders and technicians and to encourage regional cooperation.

The problem of education in Africa is a critical one from every point of view. The average literacy rate is only 10 percent compared to 35 percent for the Near East and 65 percent for the Far East. The bulk of its population is not acquainted with modern economic life, its tools and techniques. There is a staggering deficit of trained administrators capable of assuming leadership in the newly independent countries.

In order to accomplish its purpose, the special program must therefore be prepared to initiate projects at various levels of African education. It must, however, be highly selective and concentrate in those areas and on those projects which can have a multiplier effect and which could serve as key training centers for both the country concerned and neighboring areas. A basic principle of its operation, therefore, will be to build on existing African educational institutions. New facilities, such as classrooms and other structures to meet training needs will be undertaken only in support of such projects and will not be used to fill any general gap in a country's educational needs. Thus, any construction cannot be considered as the end purpose of a project but rather as one of several elements including the provision of American teaching staff and the training of an African faculty—all aimed at expanding the opportunity for education for the African people.

African resources to meet its educational needs are severely limited and will require supplements from the United States and other free world sources if the new African nations are to cope with the rapidly growing demand for education and are to fill the serious gaps in their administrative and technical leadership. From the U.S. viewpoint, assistance in the field of education, particularly as it affects future African leadership, is of utmost importance. To demonstrate U.S. interest in a positive manner requires a flexibility in meeting needs as the African leaders see them. This flexibility will be critically limited if the United States is unable to provide for construction costs as part of an effort to develop an important educational institution or training facility. It would indeed be unfortunate if this limitation made it easier for the Sino-Soviet Bloc to gain a preeminent position of influence in such a key field as education. As an example of their efforts, they are constructing and staffing a technical institute in Guinea.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois. This amendment, if adopted, would not add

a penny to the cost of this bill or to the cost of this section. As has been stated, the new independent countries of Africa have a great need for trained leaders and for a trained civil service. This amendment would give greater freedom in the training of these people. I think the amendment should be adopted.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Louisiana.

Mr. PASSMAN. The proponents of this provision in the authorization bill told us that they did not expect any housing to be provided in the estimate. At their request, the committee considered the program and provided the money, but prohibited the use of any funds for any type of housing.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, as chairman of the African Subcommittee of the Committee on Foreign Affairs I intended to ask unanimous consent to proceed for 10 minutes that adequately to the best of my ability I could meet my responsibility. But the time limitation, to which I objected but in the wisdom of the committee on motion prevailed, has made that impossible.

I need not remind my colleagues that belatedly there has come a recognition of the importance to us of deep and abiding ties of understanding and of friendship with the peoples of tropical Africa. One has only to read the daily and periodical press to measure the tremendous interest suddenly awakened in a continent that in 1959 was relatively of so little interest to us that a group of members of the Foreign Affairs Committee, circling the world, and the President of the United States, visiting many lands in the promotion of good will, visited very briefly only one country in Africa and that, convenient for the visitors, far to the north of Africa and much nearer Europe than the countries of tropical Africa.

It began to look, even as recently as the year 1959, that we were so bedazzled by the mystic lure of the Far East, fascinated with the dream that the destiny of the United States was far, far away in the Orient, that the continent of Africa was of no concern to us and to the free world. Indeed even today a large part of Africa still is carried in the organization of the State Department as Europe, just as the Dominion of Canada is treated organizationally as part of Europe, not of the American hemisphere. It is difficult to explain to newly emerging nations this hangover of colonialism in the organizational charts of our State Department based not upon the facts of geography but upon the history of a past era.

I appreciate that there are organizational problems, but I venture the suggestion, which I think is one of common sense, that we will be better understood by the peoples of the world when the State Department puts all of Africa back in Africa and all of America back on the American hemisphere.

I appreciate, too, also that our alliance with European colonial powers in very

large measure was responsible for the misunderstanding of us by the peoples of Africa who were intent on running their own affairs under the governments of their own determination. The blunt fact is that in Africa we have missed the boat. We now have an opportunity by swimming fast enough to catch up.

When the issue was one of colonialism or national sovereignty we were in a position of embarrassment stemming from our European alliances. That situation has changed. New nations are coming into being in Africa so rapidly that recently Secretary of State Herter told our committee that in the foreseeable future Africa might have as many as 40 seats in the general assembly of the United Nations. The European colonial powers are giving independence to their former colonies so far ahead of schedule as to know into a cocked hat the calculations of even a year ago.

In this new phase of the African situation the United States has an opportunity of service that it would be folly to avoid. I can assure my colleagues that the subcommittee on Africa has kept constantly and sympathetically in touch with what is transpiring in Africa. It has been a hard working subcommittee. Mrs. BOLTON is the ranking minority member. Next to my beloved colleague from Illinois, Mr. CHIPERFIELD, she is the top ranking minority member of the full committee. She is dedicated to the cause of Africa. Serving with her on the minority side is the distinguished gentleman from Indiana [Mr. ADAIR], and he has made a large contribution to the work of our subcommittee.

On the majority side is the gentleman from Missouri [Mr. CARNAHAN] who next to our great chairman, Dr. MORGAN, is the ranking majority member of the full committee, the gentleman from Michigan [Mr. DRIGGS], who by his visits to Africa and his constant consultations is probably in closer touch with the aspirations of the peoples of Africa than any other Member of this body, and my friend and colleague from Chicago, whose district adjoins the district that I have the honor to represent, the gentleman from Illinois [Mr. MURPHY]. Congressman MURPHY's knowledge of Africa, its peoples and their history, amazes me. He is a most valuable member of our subcommittee and a prodigious worker.

That our colleagues may have some measure of the diligence of the Subcommittee on Africa may I say that there has been scarcely a country in Africa that has not been represented at our hearings. On Monday next we will meet here in Washington with the speaker of the Nigerian House of Assembly. Some weeks ago Dr. Banda, shortly after his release from detention in Nyasaland, met with us here in Washington. Not long ago we benefited by getting a firsthand recital from an outstanding delegation, including two women, from the Mali Federation. Some months ago when the President of Guinea was in Chicago he gave 2 hours to a conference with our subcommittee, which was represented by Congressman MURPHY and myself, the other members of the sub-

committee, because of the time and distance factors, being unable to attend.

I mention this merely that my colleagues may know that the members of our subcommittee have accepted very seriously their responsibility and have advantaged from every opportunity to get at first hand a better understanding of Africa, the problems of its present and its aspirations for the future.

I would say that the immediate problem of the newly emerging nations of Africa is for trained civil servants. It is not that the Africans do not have the ability, and on that point I might remark that the scholastic record of students in African colleges and universities compares most favorably with that of those in European and American colleges and universities. But naturally, having been denied the opportunity of much participation in government, they lack experience.

It is a situation comparable to that of our own country when we were massing great armed forces to engage in a titanic world conflict. We needed officers, and we did not have the time to send young men to West Point and Annapolis for 4 years of officer training. The need was immediate, and we met the challenge both in World War I and World War II by officers' training schools from which in 90 days of intensive training we built up an officer corps that met every demand of the greatest wars in history.

What we did to meet that challenge of war, when the world of freedom was at stake, is a pattern of what can be done in Africa today when the fate of that continent and to a large extent the fate of the free world depends upon the efficiency with which the civil officials of newly emerging nations can function both on high and low levels.

My concept of the way in which the \$20 million of the tropical Africa program should be used is along the lines I have suggested. It is a relatively small program measured by dollars. In fiscal 1961 it is estimated that European powers, including the Soviet, will be pouring into tropical Africa from \$500 million to a billion dollars. We cannot compete on that scale.

What we are attempting to do with \$20 million is to give the new African nations something that they need immediately, something that will help them to keep on their feet and to have even in the humblest of public offices persons who have been reasonably well trained in the performance of the tasks given them. This I think can be done with the \$20 million appropriated for this program provided there is wise administration and the objective always kept in mind of meeting the immediate need.

If section 109 remains in H.R. 12619 it will be impossible to proceed with the 90-day training schools for civil servants because obviously some relatively small amounts of money would be necessary for temporary construction. I wish to make it clear that I do not think, in view of the modest amount of the appropriation of \$20 million for all tropical Africa, that any large sums should be used in school and college construction but there are places where some construction wisely should be made, and on a neces-

sarily limited scale, because of the largeness of the field to be covered. I can cite one instance, I think it is in Nigeria where there is a very good university, capable of carrying a much larger student body, but handicapped by lack of living quarters for students. If it was proposed, as well it might, to build inexpensive barracks in which students coming from all parts of tropical Africa could live, and no one I think would call that an extravagance, the project could not be entertained because of the prohibition in section 109.

I do not believe the gentleman from Louisiana and his subcommittee realized how far section 109 would go in destroying completely the tropical Africa program. We could not build even the humblest hut to house a teacher or a student. Section 109, I repeat, would completely kill the program and I know it is not the intention of the subcommittee to do that. I trust the amendment of my colleague from Illinois [Mr. YATES], a ranking member of the Appropriation Committee, will be adopted unanimously.

Now is our golden opportunity to win the hearts and the minds of the peoples of Africa by helping them the more efficiently to carry the responsibilities attendant on sovereignty. If we lose Africa, and the binding friendship which properly nurtured will permanently endure between our own country, a child of an early colonialism, and the new nations of Africa, children of colonialism of a later period, we will lose the world.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the nations of Africa it seems are among the key nations in the world today. I think this program is most essential and, certainly, a training program of this type should be provided, and they should be able to construct whatever may be necessary to carry out the training.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Illinois.

Mr. YATES. The U.S. News & World Report says in an article on Africa:

This whole vast area of southern Africa, from the Congo to the lower tip of South Africa, is the heartland of the continent's wealth and development. Native blacks preparing to take over almost everywhere except in South Africa are up against tremendous odds. They are short of skilled manpower, trained civil servants, and the capital needed to develop fully the huge potential of lower Africa.

Mr. Chairman, this section, as it stands now, would kill the program. We must cooperate with these nations to help them help themselves.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The amendment was agreed to.

Mr. COLMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLMER: On page 6, after line 23, insert the following new section:

"SEC. 103. None of the funds appropriated in this Act shall be available for expenditure in connection with any contract for construction, maintenance, or repair to be carried out in a shipyard located outside the United States."

And renumber the remaining sections of the bill accordingly.

[Mr. COLMER addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, I do not like to disagree with the fine gentleman from Mississippi, but in this case it is not practical to send ships from Europe or the Mediterranean back to the United States for repair and rehabilitation. This does not make sense and, therefore, I must oppose the amendment offered by the gentleman from Mississippi.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. COLMER].

The question was taken; and on a division (demanded by Mr. COLMER) there were—ayes 52, noes 97.

So the amendment was rejected.

Mr. COFFIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COFFIN: On page 4, strike out all on line 22 through line 25.

Mr. COFFIN. Mr. Chairman, I think this amendment should appeal to all of the Members in this Chamber. It takes off the shackles which have been put on the Inspector General, an office which we created last year to help police the foreign-aid program. Admittedly no substitute for the General Accounting Office, it is, nevertheless, an indispensable agency within the executive branch of the Government to keep a day-in, day-out running check on bribery, corruption, and inefficiency.

This involves no new money in the program. What the committee has done is to say to this watchdog: "You cannot use more than \$1 million." We should allow them to use \$5 million if they thought it was necessary to clean up inefficiency.

Mr. MORGAN. Mr. Chairman, I wish to be recognized on the amendment.

The CHAIRMAN. The gentleman from Pennsylvania is recognized.

Mr. COFFIN. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Maine.

Mr. COFFIN. I know the gentleman, the distinguished chairman of the Foreign Affairs Committee, has been most interested in this provision. This affects the Inspector General who has a great deal to do and is doing a good job.

Mr. MORGAN. Mr. Chairman, the bill—page 4, beginning on line 22—sets a ceiling of \$1 million on the funds made available to finance the operations of the Inspector General and Comptroller. I feel very strongly that this sum is not enough, and I am sure that the overwhelming majority of the Members of the Committee on Foreign Affairs share my view.

The issue here is not a conflict between the Congress and the Executive as to the amount of money which should be made available. The disagreement is entirely within the Congress. The Executive opposed the establishment of the Inspector General and Comptroller and his staff, and I assume the Executive would prefer to see the entire operation abandoned or its scope of operation curtailed.

The Inspector General and Comptroller, together with the staff necessary to carry out his operations, was established as a result of action initiated by the Foreign Affairs Committee. I personally submitted the amendment creating this organization to the committee, and I feel very strongly that the Inspector General and Comptroller should be given an opportunity to get his program into full operation.

I believe that it is vital to the security of the United States that there be a mutual security program and that the Congress owes it to the American taxpayer to do everything possible to assure that the funds provided to finance the mutual security program not be wasted. This was the basis for setting up the Office of Inspector General and Comptroller.

I borrowed the idea from the armed services. The Army, the Navy, and the Air Force each has an inspector general. These inspectors general operate within the organization but report directly to the top commander. What we were trying to do was to create within the executive branch a staff skilled enough and large enough to keep track of what actually is going on in the operation of the mutual security program, to call deficiencies to the attention of Under Secretary Dillon who is the man with overall responsibility for the entire operation, and to see that corrective action is taken before scandals develop to the point where they make headlines or before large sums of money have been wasted.

Our idea was not to duplicate what is being done by the General Accounting Office or by investigating committees of the Congress. The General Accounting Office does review mutual security operations and their findings have been most valuable. Our own committee and other committees have conducted investigations and are continuing to conduct investigations. All of these are important and should continue. The object, however, is not to have people on the outside conduct a post-audit after the damage has been done. It is to have people who are in close and continuous touch with everyday operations who can act to correct and prevent deficiencies and waste before it is too late.

The Foreign Affairs Committee has been very much impressed by the fact that whenever our Members go overseas they encounter a substantial number of Americans in every country who are aware of certain shortcomings of our mutual security operations and who are anxious to have them taken care of. I do not believe that there is generally a conspiracy of silence on the part of personnel engaged in carrying out the mutual security program to hide waste or to cover up mistakes. I realize, how-

ever, that it frequently is difficult to get reports of waste and inefficiency transmitted from the working level to the top officials of an organization. It is only human that people whose jobs depend on a particular operation are not inclined to send in reports which might result in that particular operation being closed down. It is also true that people who are responsible for decisions are inclined to be slow in admitting mistakes.

One of the main purposes of the inspector general and his staff is to provide a means by which information about deficiencies in the operation of the program can be transmitted from the operating level in the field where they become apparent to the top echelon of the organization where remedial action can be taken.

The Appropriations Subcommittee apparently does not agree with the Foreign Affairs Committee approach to this problem. In the printed hearings of the subcommittee there are a number of statements of Members, saying that the idea is no good and that it will never work. They apparently believe that the inspector general idea works out all right in the armed services but that there is something peculiar to the mutual security program which prevents its working here.

By limiting the funds available to the Inspector General to \$1 million, the Appropriations Subcommittee is making sure that they will win the argument because there can be no doubt that if that is all the money available to the Inspector General and Comptroller, he cannot do the job he is supposed to do.

The Inspector General in making up his own budget wanted \$1,762,000.

One indication of how much money is necessary to carry on this sort of an operation can be derived from figures submitted by the General Accounting Office for its own overseas operations. The General Accounting Office maintains two overseas offices—one in Paris and one in Tokyo. These offices are staffed with officers who travel all over Europe and the Far East respectively. The work is limited entirely to investigating U.S. military expenditures in those areas. These include military assistance expenditures under the mutual security program and the expenditures of our own Armed Forces stationed abroad. Investigations of other overseas operations of the United States, including the economic side of the mutual security program, are handled by General Accounting personnel sent directly from Washington.

To operate these two overseas offices, it costs the General Accounting Office \$1,434,500 a year for salaries, travel and actual overseas office expenses. This includes nothing for Washington administration or support in connection with the overseas operation.

If it takes \$1,400,000 for the General Accounting Office to operate only two overseas offices, limited to military operations in only two areas of the world, it seems clear to me that we cannot expect the Inspector General and Comptroller to keep his eye on the mutual

security operations all over the world, including all programs, for an outlay of only \$1 million per year.

I personally am disappointed in the progress made by the Inspector General in getting his operation underway, and in my opinion he is not giving the proper emphasis to certain aspects of his operation. I believe that the program which he has in mind and has submitted in some detail to the Appropriations Subcommittee should be revised. For that reason, I favor that a limitation of \$1,500,000 be placed on his operation, which is \$200,000 less than he has asked for.

A limitation of this kind would make it necessary for him to revise his program, and I believe that such a revision would improve it. A figure of \$1,500,000, however, should be enough for him to carry on his work, while a \$1 million figure would absolutely prevent his rendering the service which is necessary to improve the efficiency of the mutual security program.

(Mr. MORGAN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. Does anyone else desire to be heard on this amendment?

Mr. GALLAGHER. I desire to be heard, Mr. Chairman.

The CHAIRMAN. The gentleman from New Jersey is recognized.

Mr. COFFIN. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield.

Mr. COFFIN. I will merely state that this amendment seeks to take a limitation off this agency which the committee set up to go into the foreign aid program. It must be remembered that the Inspector General must get approval from the Budget Bureau for his appropriations. In short, we are in the position of the pilot just about ready to take off at the end of the runway who decides to reverse his propellers. I urge that this amendment be adopted.

Mr. PASSMAN. Mr. Chairman, I desire to be heard on the amendment.

The CHAIRMAN. The gentleman is recognized.

Mr. PASSMAN. Mr. Chairman, the section of the bill to which this amendment applies provides for a limitation on the amount of funds the Inspector General may spend. The Inspector General now has no limitation; he may spend as much as he wishes to do, subject only to his own judgment.

I hope the amendment will be defeated.

Mr. FORD. Mr. Chairman, I offer a substitute for the amendment now pending.

The Clerk read as follows:

Amendment offered by Mr. FORD as a substitute for the amendment offered by Mr. COFFIN: On page 4, line 23, strike out "\$1,000,000" and insert "\$1,250,000."

The CHAIRMAN. The question is on the substitute offered by the gentleman from Michigan [Mr. Ford].

The substitute was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine [Mr. Coffin].

The question was taken; and on a division (demanded by Mr. Coffin) there were—ayes 71, noes 126.

So the amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment. I have four or five of them.

The CHAIRMAN. Does the gentleman ask unanimous consent that the five amendments he offers be considered en bloc?

Mr. GROSS. That is all right with me.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. Gross: Page 4, line 17, strike out the figure "\$38,000,000" and insert in lieu thereof "\$35,000,000."

Mr. GROSS. Mr. Chairman, the hearings on this mutual security program over the years are replete with examples of inept and wasteful administration. I believe it would be highly beneficial to the program as a whole and to the taxpayers of the Nation to reduce the funds for administration purposes and to indicate the need to fire a few of the starry-eyed dreamers that abound in the administration handling this program.

The Clerk read as follows:

Amendments offered by Mr. Gross: Page 4, line 25, after the word "amended", insert "none of which shall be used for representation or entertainment."

Mr. GROSS. Mr. Chairman, I wonder if the gentlemen who have been working hard to increase spending under this Foreign giveaway program can tell me the amount to be appropriated in this bill for liquor and entertainment?

Mr. Chairman, the hearings on appropriation bills before the House can always be read with profit. For instance, it was enlightening to read recently that the downtrodden taxpayers of this country are underwriting the costs of studies dealing with the "aging of ovaries in cockroaches," "the circulatory physiology of the octopus," a "pictorial test of the interpersonal and interpersonal relationship of a husband and wife."

Now we learn in these hearings, through a Mr. Crockett, that a cocktail party held in a foreign country is "representation," while the same kind of a fandango staged in this country comes under the heading of "entertainment."

Mr. CROCKETT. Mr. Chairman, "representation" is always used in the connotation of entertainment overseas, while "entertainment" is used in the connotation of domestic entertainment. We do not use "representation" domestically.

Mr. PASSMAN, Chairman of the Appropriation Subcommittee, when he was finally enlightened as to the difference, observed that the fast travelers in the have as much fun no matter which of the above headings may be used to pick the pockets of the taxpayers.

Now it appears that the ICA requested \$198,000 for "representation" and \$6,000 for entertainment, while the State Department, although it apparently got \$835,000 in another bill, requested an-

other \$72,500. It is contended that money is needed for funeral and ceremonial wreaths so Mr. PASSMAN asked for a separation of the Scotch and bourbon and from the expenditures for wreaths here is how it looks:

Estimated expenditures for funeral and memorial wreaths under the 411(c) appropriation—representation

Fiscal year 1960.....	\$145
Fiscal year 1959.....	148
Fiscal year 1958.....	155

Now the request for liquor and entertainment:

**REPRESENTATION AND ENTERTAINMENT EXPENSES
IN MUTUAL SECURITY PROGRAM**

Fiscal year 1961 estimated representation expenses and entertainment expenses

	Fiscal year 1961	
	Estimated representation expenses	Estimated entertainment expenses
Military assistance.....	\$163,800	
Development Loan Fund.....	1,000	\$5,000
Administrative expenses, ICA (sec. 411(b)).....	198,000	6,000
Administrative expenses, Department of State (sec. 411(c)).....	72,500	1,000
Expenses, Inspector General and Comptroller.....	2,000	600
Total.....	437,300	12,600

Mr. Chairman, it is beyond belief that any additional request would be made for additional liquor funds, and I hope my amendment will be adopted.

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 6, line 3, strike out "\$550,000,000" and insert in lieu thereof "\$450,000,000."

Mr. GROSS. Mr. Chairman, it is to be noted in connection with this Development Loan Fund that, insofar as the taxpayers of the United States are concerned, the contributions to this fund are direct grants that are never returned to the Treasury of the United States.

This was made clear in the following colloquy on page 450 of the House hearings on the mutual security appropriations for 1961:

Mr. PASSMAN. At what time, if ever, does any of this go back in the U.S. Treasury?

Mr. MURPHY. Under existing authority, Mr. Chairman, it is not contemplated that any of the receipts of the Development Loan Fund, whether repayments of principal or interest, would go back into the general fund of the Treasury.

They are made available for the continuing operation of the DLF.

Mr. PASSMAN. We are hoping this program will come to an end one of these days. Let us discuss the present legislation.

There is no provision whereby any of this money will ever come back to the U.S. Treasury to reduce the public debt or to be reapportioned in other fields?

Mr. MURPHY. That is correct, Mr. Chairman.

And again on page 451:

Mr. PASSMAN. I do not believe in being repetitious unless it serves a useful purpose. It is not a matter of disagreeing or quarreling but a matter of setting the record straight.

Under the Development Loan Fund there is no provision in the law, and there is none planned that you know of, whereby the dol-

lars that we are appropriating—come from the taxpayer—will go back into the U.S. Treasury, to be used toward reducing the public debt or to be spent to meet the payrolls of the U.S. Congress, let us say. Is that correct?

Mr. MURPHY. Yes, sir; I believe it is.

It is my belief that we should refuse to make any further grants of the taxpayers' dollars to this Development Loan Fund. As the record will show this is an outright grant of the taxpayers' money to provide funds for constructing projects in foreign countries, with none of the funds ever being repaid to the United States Treasury. At the present time nearly 80 percent of the funds are being made under loan agreements providing for repayment in foreign currency.

Certainly it is time to reduce this drain on the taxpayers' pocketbook. This amendment would be only a token step to what should be done.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 6, line 4, strike out the period and insert a colon and the following: "Provided, That none of the funds advanced to the Development Loan Fund shall be used to execute loans on which less than 50 percent of the loan is to be repaid in dollars."

Mr. GROSS. Mr. Chairman, the Director of the Development Loan Fund expressed the belief that some repayment should be made in dollars in these words, taken from page 312 of the House hearings on the mutual security appropriations for 1961:

Mr. BRAND. I might mention, Mr. Chairman, that in connection with local currencies, I feel rather strongly that the Development Loan Fund should have built into its loans some repayment in dollars in practically all of the loans.

It seems to me that when the taxpayers of the Nation are called upon to provide billions of dollars to this fund with no provision for repayment to the Treasury that the least we can do is to require that not less than 50 percent of the repayments made by the loanees shall be in dollars. If this is done it should reduce future requests for additional dollar capital to maintain the fund.

In addition, the time may come when it would be desirable to enact new legislation to either repay the taxpayers for the funds advanced or to pay into the Treasury a dividend on the taxpayers' investment. At such time it would be desirable to have a large part of the capital fund in dollars.

The Clerk reads as follows:

Amendment offered by Mr. GROSS. On page 9 after line 11 add the following new section:

"Sec. 114. None of the funds herein appropriated shall be used to implement new contracts or to extend existing contracts for tuition or studies which are in excess of \$200 per month per student."

Mr. GROSS. Mr. Chairman, the hearing record shows that the International Cooperation Administration is paying tuitions of \$800 or more per student per month. The Office of Education advises that average tuition rates for private universities run slightly over \$850 per year. For an 8-month school year this would be slightly over \$100 per month.

I can not conceive how the administration of ICA can justify the exorbitant cost of some of the contracts that came to light in the recent hearings. When the Inspector General of the ICA states that he had no intention of investigating a contract that carried a tuition rate that is around eight times the average tuition rate of our institutes of higher learning, it is time we put some restriction on the use of the taxpayers' funds.

Many of these study courses appear to be primarily for the purpose of advising the ICA personnel new ways to give away the hard-earned taxpayers' dollars. Is it not in order to ask whether they are justified, even if the cost is reduced 75 percent?

Mr. Chairman, when we return to the House, I shall ask permission to include a copy of the proposed schedule of lectures which have been costing the taxpayers such exorbitant amounts.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Iowa.

The amendments were rejected.

(Mr. GROSS asked and was given permission to extend his remarks in the RECORD on each amendment.)

Mr. REUSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REUSS: On page 7, lines 16 to 18, strike out "section 106" and renumber the later sections accordingly.

(Mr. REUSS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. REUSS. Mr. Chairman, the Mutual Security Act of 1960, approved on May 14, directed the President to have a study made of the point 4 Youth Corps, under which young U.S. citizens would have an opportunity to serve abroad in technical cooperation programs. While the principal expenses of this study are to be paid for by a private foundation, up to \$10,000 of technical cooperation funds was authorized to help defray the expenses of the study.

Section 106 of the mutual security appropriation bill in effect vetoes the Federal contribution to this study, which Congress ordered only a month ago. My amendment, by striking section 106, would permit the study to go forward as envisaged in the Mutual Security Act of 1960.

One of the criticisms made of our foreign aid program has been that it concentrates too much on military aid and on the more grandiose economic projects, instead of on a person-to-person approach. The point 4 Youth Corps idea would permit at least a study to be made of this person-to-person approach.

The House Committee on Foreign Affairs, in its report on this year's Mutual Security Act, expressed its belief that "there is substantial merit in the proposal." The committee report states—page 29:

The committee believes that the United States is failing to utilize one of its important assets by not developing a program for using such services. If young Americans with farm backgrounds and adequate technical training, who are willing to live in the villages and share in the daily work of the people and would serve with only a

minimum salary and subsistence allowance, could be carefully selected and sent to the less developed countries, they could be unusually effective representatives of the United States.

The gentleman from Georgia [Mr. PILCHER], chairman of the Subcommittee on Foreign, Economic Policy of the House Committee on Foreign Affairs, reported to the House on June 1, 1960, on the subcommittee's recent six-continent study trip. The gentleman from Georgia reported that he and his subcommittee had found evidence of much "waste and extravagance"; but one outstandingly successful American project had been observed:

It would not be fair to criticize the highway program, the radio program and the water program, without stating that in Vietnam we found one of the finest agricultural programs I have ever seen anywhere. Up in the hill country, we visited an experiment station where several young American boys, graduates of agricultural colleges, were living in quonset huts along beside the Vietnamese. This experimental station would do credit to any station in this country. They had planted in experimental plots practically every agricultural crop, including cotton, corn, peanuts, potatoes, grains, all kinds of vegetables, and rael. In addition to this, they were showing the hill people, who had been given 5 acres of land and a water buffalo, how to plant and cultivate in rows. These people also were doing a good job in their way and were very happy. The entire project has not cost as much money as one mile of the superhighway. This kind of program is helping the little people to help themselves.

The point 4 Youth Corps study proposal has been widely endorsed by newspapers, church groups, university faculty and student groups, as well as by both Houses of Congress.

The Christian Science Monitor of January 20, 1960, has the following editorial:

POINT 4 YOUTH CORPS

Representative HENRY REUSS, of Wisconsin, is offering Congress one of the best ideas yet devised for the competitive coexistence era.

He has filed a bill authorizing a study of the feasibility of a point 4 Youth Corps—a draft-pay, draft-duration, draft-tough alternative to selective service for qualified young Americans who choose to serve their country in foreign rice paddies instead of the drill field.

We urge Congress to unearth and pass this bill speedily.

It will commit no one finally. It will cost little or nothing, since the study would be made by a private university or foundation as a public service. But it concerns a phase of the international struggle—the future gravitation of underdeveloped nations—that never has marked time waiting for Congress.

Although the program cannot be fully spelled out until all possibilities and pitfalls are studied, it would work in roughly this manner:

John Farmer is draft exempt while completing his agricultural course at Texas A. & M. After graduation he applies for a village-level job teaching modern farming methods under the International Cooperation Administration or Ford Foundation.

If he does not meet the qualifications, he reverts to draftable status.

But if he is accepted, John gets perhaps a 3-month stateside training period for his job (as rigorous in its way as Army basic training) and then is sent to a village project in India, where he will be paid the minimal wage and allowances he might have gotten

for straight draft service. His hitch, like that of his rifle-toting buddy, is for 2 years.

Let's examine possible objections to the idea:

1. It might provide a haven for draft dodgers.

Since public and private technical assistance agencies would themselves pass on quotas and qualifications, acceptance of "goldbrickers" seems unlikely.

2. It might siphon off top educated talent from the military draft.

Under current low draft quotas only a small percentage of this talent is being called anyway. Mr. REUSS envisions a point 4 Youth Corps of not more than 10,000 to start with.

3. Veterans groups might object to youth corps discharges being eligible for educational, pension, and medical benefits.

To meet this objection, Mr. REUSS and his analysts incline toward dropping veterans' benefits. We would agree, with the exception of the GI bill educational provisions, which would have even greater value for the Nation if extended to youths whose further study might provide a substantial number of first-rate new diplomats, international businessmen, and foreign service officials.

We would urge, as an additional safeguard, that recruiting posters and brochures for any such program emphasize that it is not a glamor world cruise, but one likely to involve more discomfort (and certainly less PX life) than peacetime Army service.

With these precautions taken, the advantages of the proposed youth corps are enormous.

The "have-not" nations are clearly going to be the battlefield for the world balance of power and for freedom in the coming generation. Money and military aid alone will not win that battle. Moscow and Peiping are carefully training cadres to go out into the villages. The authoritarian control they work under puts them at a disadvantage. But only if there are in sight comparable workers who are both free and technically capable.

Mr. REUSS' plan would help show the emerging peoples in a personal way the American altruism that now is too often lost amidst dollar signs. It would strengthen language training, promote a more professional foreign service, and give enthusiastic young Americans a more mature understanding of the world they will have to face. In short, it merits bipartisan priority treatment.

From the Milwaukee Journal of May 16, 1960:

REUSS YOUTH CORPS

Congress has agreed, in the mutual security bill just passed, that Congressman HENRY REUSS' proposal for a point 4 Youth Corps deserves sympathetic study. The bill urges the President to select a university, foundation or other nongovernmental research group to develop the organization and program for such a corps.

What REUSS proposed, in conjunction with the late Senator Neuberger, Democrat, of Oregon, was that several thousand young Americans serve voluntarily at a soldier's pay in public and private technical assistance missions in the world's newly developing nations.

In a recent article in Commonweal magazine, REUSS suggested these advantages of such a corps:

It offers a possible alternative to military service under the draft. It would assure an adequate supply of young Americans to man technical assistance missions in years to come. It would give our youth "a sense of purpose—the excitement and stimulus of taking part in great events." It would give the world a far better image of a democratic, unmilitaristic, helpful United States.

It would help keep our foreign-aid programs effective, flexible, and up to date.

The great challenges of the present decade may be coming in the villages and rural areas of Africa, Asia, and Latin America, Russia, and China are training persons for that competition now. The United States had better be preparing its forces to represent freedom. The REUSS Youth Corps plan seems to offer a good starter.

In the May 7, 1960, issue of Ave Maria is the following:

MISSIONERS AT SOLDIER'S PAY

College students dreading graduation day and the subsequent greetings from the President of the United States may soon be in for a pleasant surprise. And the old jokes about the military services' bumbling inability to place their men where they will do the most good may go the way of the Army mule if a bill now pending in Congress is approved.

In brief, the bill, H.R. 9638, introduced in the House by Representative HENRY S. REUSS, would provide for a study looking toward a point 4 Youth Corps, a militia of young Americans willing to serve their country in public and private technical-assistance missions—and at a soldier's pay.

In other words, instead of being drafted to serve in one of the military forces, qualified young men would apply for the point 4 Youth Corps. If they met the required standards they would be trained further in their own fields and sent to an underdeveloped country to contribute to the welfare of that nation in a tangible way. No goldbricker would be accepted; in fact, the work would be much more difficult than the Army—but much more challenging.

Congressman REUSS sees three main objectives in his bill. The first is to benefit governmental and private agencies now afield in foreign countries, agencies desperately in need of additional technical manpower to help carry out economic, medical, educational and community development programs.

The second objective is to aid both those people in other countries and ourselves by an active public relations program. Through close contact with intelligent young American college graduates, the understanding of peoples in other lands will be broadened and enriched by learning and accepting American ideals.

Third, the benefits accruing to the young Americans themselves would be inestimable. Their firsthand experience in underdeveloped nations would undoubtedly intensify their appreciation of life in the United States, not to mention the breadth and depth of outlook that their work would give them.

Representative REUSS' bill offers many constructive possibilities and should certainly receive careful consideration.

The Progressive magazine for May 1960 comments:

POINT 4 REJUVENATION

In his better days, when former President Harry S. Truman laid down a four-point foreign policy program in his inaugural address of January 20, 1949, he wrote into the language a term that has become a worldwide symbol of the generosity, the concern for others, and the creative imagination of the American people. Point 4 of President Truman's proposals was to be a bold, new program which would bring to all the world the benefits of America's great technical and scientific resources. It was conceived as a continuing effort to share our wealth of knowledge and skills with other peoples so that they could more rapidly develop their own human and material resources and improve their standard of living.

In the 11 years since the inauguration of point 4, thousands of American technicians in every conceivable social and scientific

field have gone to every part of the earth to train and teach other peoples to help themselves. But the world's needs have scarcely been scratched, and President Truman's bold, new program has been much diluted by excessive caution, a military-minded administration, and a Congress cool toward economic aid.

Now a bold, new idea for implementing the point 4 concept has been introduced by Democratic Representative HENRY S. REUSS. The Wisconsin Congressman has proposed a point 4 Youth Corps for young American men and women to serve in technical assistance missions. The plan would call for 2- or 4-year college students or graduates to enlist for a minimum 2-year period for work overseas under both Government and privately sponsored point 4 programs—work which would utilize their special training and talents.

We concur heartily with the basic objectives of such a Youth Corps. As outlined by Representative REUSS, they are:

First. To make additional technical manpower available to U.S. agencies and to private agencies carrying out economic, medical, educational, and community development programs in underdeveloped friendly foreign countries.

Second. To assist in broadening the understanding by the peoples of other nations of the ideals and aspirations of Americans, through close contact with young Americans participating in the point 4 Youth Corps.

Third. To offer our young people an opportunity to serve their country in a stimulating way, while broadening their understanding of the problems facing other peoples and nations.

The legislation which REUSS has introduced in the House (and an identical bill brought before the Senate by the late Senator Richard L. Neuberger) asks for a non-governmental study to determine the practicality and advisability of such a corps, with recommendations to be returned to Congress within a year.

It has been suggested that enlistment in the Youth Corps might be an alternative to military service under the present draft law. But this possibility is by no means an essential part of REUSS' proposal and we would hope that any study of the plan would not emphasize this feature as one of its recommendations. A more constructive approach, it seems to us, would be to eliminate the military draft and establish the point 4 Youth Corps as a voluntary peace army bringing new life, new ideas, and new skills to peoples all over the world. We are confident that many thousands of our college students would be eager to take advantage of the enormous opportunities which would be opened to them by such a program.

Edward P. Morgan, in his May 2, 1960, news broadcast over the American Broadcasting Network, said:

In a Senate speech last week, Chairman WILLIAM FULBRIGHT of the Foreign Relations Committee described the administration's mutual security program, on which final action is pending in Congress, as a "plate of warmed-over grits." Defending the principle of foreign aid as being as necessary to the country as a life insurance policy to a family, FULBRIGHT scored the administration for lack of initiative and long-range planning which he held essential to the program's successful continuity. Still, he conceded, there is nourishment in warmed-over grits and reluctantly he endorsed the legislation as better than nothing.

In this package, however, there is at least one germ of a promising idea. It is to give eligible young Americans a chance to work on foreign-aid projects in the field as an alternative to the military draft. The Senate bill includes a \$10,000 item to study the feasibility of recruiting 10,000 youths for a

2-year hitch on technical assistance jobs. This approach was cosponsored by Congressman HENRY REUSS of Wisconsin and the late Senator Richard Neuberger, of Oregon, both Democrats. Minnesota's Senator HUBERT HUMPHREY argues a study is unnecessary; says we already know what the problems are and he is preparing a bill for direct action—if he can take enough time from presidential politicking to introduce it; a 3-year tour (a year longer than the draft but at basic Army pay without veterans' benefits) beginning with 500 the first year and building eventually to 10,000.

The response on various campuses which have caught wind of it has been enthusiastic but the unofficial State Department and International Cooperation Administration reaction so far is something as follows: "It's a nice idea, but, gee, we already have all these other problems."

Interestingly enough, the exciting experiences of a small private outfit in this field called International Voluntary Services, may eventually bring the bureaucrats around. IVS, run largely by exmissionaries on a non-sectarian basis, has contracted with foundations and ICA to man such projects as agricultural experiment stations in Laos and Egypt. Already both governments have requested more of these young unglorified Americans. The two trying new crops along the Nile are beseeched by Egyptians to teach them English in their spare time. Apparently this person-to-person contact on the grassroots level is one of the secrets of success for IVS, whose candidates are carefully selected not only for their skills but for a kind of pioneering spirit; only 1 in 10 qualifies.

In an article in the current issue of *Commonweal* magazine on his plan for a point 4 Youth Corps, Congressman REUSS writes that "too often we seem to emphasize military alliances with corrupt or reactionary leaders; furnishing military hardware which all too frequently is turned on the people of the country we are presumably helping." (Shades of Turkey and Korea.) REUSS speaks of "grandiose and massive projects" and hordes of American officials living aloof in enclaves in the country's capital." And he asks: "Would we not be farther along if we relied more heavily on a group of some thousands of young Americans willing to help with an irrigation project, digging a village well, or setting up a rural school?"

One of the things which steamed up Senator HUMPHREY's enthusiasm originally was this kind of modern pioneering concept. Applicants would have to have three main assets: real skill, real enthusiasm, and a certain political and social maturity with a minimum age of 22. The recruits would take a 1-year training course, half in the United States, half in the country where they were assigned. Their jobs? Teaching literacy, teaching English, basic agricultural and industrial skills, sanitation and health techniques, and many other functions.

Carefully applied, this approach to foreign aid could do a great deal to transform the program from a plate of warmed-over grits to a large nourishing helping of frontiersmanship in a rich American tradition.

This is Edward P. Morgan saying good night from Washington.

The U.S. National Student Association, on May 28, 1960, took the following position in testimony before the Democratic Platform Committee:

On the domestic scene, the U.S. National Student Association supports an expanded program for bringing foreign students to the United States provided that the program calls for closer planning between the United States and foreign governments to determine manpower needs and greater emphasis on 1 or 2 year special programs oriented toward leadership training and technical

fields; we further support the allocation of "soft currency" funds under Public Law 430 as a means of expanding or initiating programs of U.S. educational institutions which would contribute to cultural and educational development in foreign countries with projects such as delegations of U.S. student leaders. We submit, however, that a bolder, more imaginative step is urgently needed. We believe that the House of Representatives bill 9638, introduced by Representative HENRY S. REUSS, Democrat, of Wisconsin, to provide for a study to be conducted by a nongovernmental group on the advisability and practicability of the establishment of a Point Four Youth Corps under which young citizens will be trained and serve in programs of technical cooperation is one effective way to help meet the challenge of the "revolution of rising expectations" as well as Communist infiltration through programs of technical assistance and youth festivals. One of the factors to be considered is whether or not it would be desirable to provide that service in the point 4 Youth Corps shall be considered as satisfying the obligation of the individual to perform training and service in the Armed Forces. The U.S. National Student Association urges this group to provide American youth with this imaginative and constructive alternative way to serve their country.

At least four universities—New York University, Syracuse University, Colorado State University, and Stanford Research Institute—have submitted proposals for comprehensive studies of the Point Four Youth Corps proposal. Moreover, I am informed that several foundations have expressed interest in helping to defray the expenses of such a study.

My amendment is designed to prevent killing the idea of a point 4 Youth Corps before it can even be studied. If you believe in the principle of foreign aid, the point 4 Youth Corps study deserves support because it can help revitalize the aid program. If you are critical of foreign aid, the point 4 Youth Corps proposal offers a way of helping people to help themselves.

I hope the amendment will be adopted.

(Mr. BRADEMAS (at the request of Mr. REUSS) was given permission to extend his remarks at this point in the RECORD.)

Mr. BRADEMAS. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Wisconsin to permit the President to arrange for a modest study—to cost no more than \$10,000—of the advisability and the practicability of a point 4 Youth Corps.

I hope very much that we will agree to let the President go ahead with this modest provision for the study of a program through which young Americans can be trained to serve in public and private technical missions in the underdeveloped areas of the world.

The amendment does not commit the United States to any program but only asks the President to provide for a non-governmental research group, university or foundation to study the advisability of a point 4 Youth Corps.

Shortly after the gentleman from Wisconsin introduced his bill, earlier this year, I met with a group of some 45 church, civic, and university leaders in northern Indiana who had requested me to arrange a special meeting to discuss the prospects of this proposal.

These leaders were deeply impressed by the positive contributions which a group of intelligent and dedicated young Americans could make to lifting the level of life in the underdeveloped areas and to doing so in a practical, down-to-earth, person-to-person way.

There are several reasons why a point 4 Youth Corps could contribute significantly to our mutual security program.

First. The corps would do much to correct the image of the United States which has resulted from undue emphasis on military aid alone under the mutual security program, important though that aspect is.

Second. Such a program would be one way to provide assistance to developing nations directly to the people who need it, and not simply to governments alone, important though that aspect of the mutual security program is. The prospect of a group of intelligent young American college graduates working at the grassroots level with peoples abroad would go far to counteract the image represented in some of the cases set forth in "The Ugly American."

Third. I believe we should not overlook the benefit to the young Americans who would participate in such a program, benefit not purely in terms of their greater understanding of foreign countries but also in terms of their participating in a laudable effort in the interest of their own country. We hear a great deal these days about national purpose. The point 4 Youth Corps is a hardheaded and practical example of the way in which young Americans might show the world the very best that is in the American national purpose.

In short, Mr. Chairman, there is a great deal to be gained and very little to be lost by the investment of \$10,000 in the study which the amendment of the gentleman from Wisconsin would make possible.

Mr. DERWINSKI. Mr. Chairman, I am opposed to this mutual security appropriation and wish to emphasize that those of us who are in the minority opposing this measure are contributing greatly to whatever effectiveness the program might have. For this reason, without effective opposition, pointing out the flaws and inconsistencies of the administration of this program, the cost would skyrocket and the American taxpayers would be unprotected against a monstrous bureaucratic assault upon the U.S. Treasury.

Under present international conditions, the usual controversy surrounding foreign aid has been increased, since it represents such a large portion of the U.S. budget.

I emphasize, however, that the theoretical goals of the foreign aid program are certainly commendable. Certainly we recognize the problem in rebuilding of war-devastated lands, development of backward nations, and the containment of communism. I maintain, however, and it is an undisputed fact, that the program has fallen far short of perfection and the \$85 billion invested in it these last 14 years have not returned a proportionate benefit to the American taxpayer.

Mr. Chairman, may I point out that the ill-fated summit conference and the cancellation of the President's visit to Japan emphasize the need for complete evaluation and proper use of funds under the foreign aid program, since, once again, it is obvious the money spent has not produced respect and support of our country by the peoples and governments abroad, nor has it produced the completely sound allies to which we are entitled in view of our great contributions to the free peoples of the world.

Those of us who are voting against the foreign aid appropriations bill are exhibiting complete independence, knowing that both major political parties, the State Department, a great number of national publications, and President Eisenhower all favor the program.

Mr. Chairman, I also feel that foreign competition in producing goods by factories built with foreign aid funds is beginning to have a detrimental effect on our economy and employment, and this factor should undergo immediate and thorough study.

Mr. CARNAHAN. Mr. Chairman, soon after the Second World War, on June 5, 1947, to be exact, Gen. George Marshall, in a speech delivered at Harvard University, set forth a concept, which while it has been most controversial, may probably be credited with saving much of the free world from becoming unwilling satellites of the Soviet Union. This we knew as the Marshall plan.

I need not labor the obvious today that the world situation is very serious. This is apparent to all intelligent people. I think that one difficulty is that the problems of today are of such enormous complexity that the very mass of facts presented to the public by press and radio make it exceedingly difficult for the man in the street to reach a clear appraisal of the situation. Furthermore, we are distant from these really troubled areas of the world and sometimes it is hard to comprehend the plight and consequent reactions of the long-suffering peoples who strive to lift themselves from the quagmire of disease, illiteracy, and economic want.

Back in 1947 when the then Secretary of State Gen. George Marshall gave his address at Harvard, Europe was still in a shambles. There had been terrific losses of life, visible destruction of cities, factories, mines, and railroads. However, it soon became obvious that this visible destruction was probably less serious than the dislocation of the entire fabric of European economy. Into this serious gap stepped the American people with their offer to assist in the recovery of Europe. As a result, long-standing commercial ties have been reestablished, private institutions, banks, insurance and shipping companies have regained their capital. Europe has recovered economically.

It is a different story in Asia and Africa. The emergence of many newly created nations in both Africa and Asia with the subsequent demand for full participation in the fruits of an economic plenty such as we have here in the United States, lead to demands on the

part of the peoples of these nations which could not be met unaided by their own governments. Into this area of human need stepped the American people with their grants, loans, and offers of technical assistance and guidance.

And as if this were not enough of a problem to be faced and solved, we of the free world found ourselves engaged in a life and death struggle with international communism. This we know as the "cold war." The cold war led to the establishment of defense alliances between the United States and its friends in Europe, Asia and the Middle East. As a result, in addition to sheer economic aid to repair the ravages of war and to establish newly emerging economies, we in the United States were faced with helping to equip for defensive purposes only vast military machines to help uphold these friendly governments and assist them in resisting Communist brandishments and aggressions. Thus our program of aid to our allies took on at least the following characteristics: a program of grants to assist in stabilizing various economies; a system of loans through one or more organizations set up for the purpose of economic development; a program of technological assistance to train the peoples of these nations in the ways of a modern industrial society; and, a system of military alliances wherein each partner is pledged to the defense of the other in the event of aggression against it.

This has and continues to be a costly business. Yet, I see no present alternative to this program. To eliminate or even seriously cut back our mutual security program today would be inviting danger, real and imminent, since into such a vacuum would step worldwide communism and America would find itself driven back to its own shores, hemmed in by hostile forces run by capricious dictators.

A major goal of American foreign policy has become a decent standard of living for all peoples. It is not an easily accomplished task and at times is slow, laborious, and oftentimes fraught with disappointment and setbacks. As a member of the Foreign Affairs Committee which first reviewed this mutual security bill this year, I can state that there are two very basic features of the program: First, the preservation of an adequate defensive strength; and second, the encouragement and promotion of human betterment. Here once again is an opportunity to participate in a mutual effort for peace and progress in freedom.

I believe that this appropriations request is tightly budgeted and that the appropriation of the full amount is needed and necessary. This money will be needed if the programs Congress has authorized are to be carried out. Approval of this program will reaffirm the readiness and determination of the United States to meet its responsibilities and to defend and protect its way of life. Such reaffirmation can best be provided at this point through appropriation.

Mr. KASEM. Mr. Chairman, I regret that I will not be able to remain on the floor to vote on final passage of the mutual security appropriations legislation

for which we have been considering amendments. Pressing matters in California make it imperative that I leave at this time, but it is apparent that support from both sides of the aisle assures the passage of this important measure.

I would like the RECORD to show, however, that I had intended to offer an amendment for the consideration of this body.

It has come to my attention that in the carrying out of the mutual security program, the original objectives and intent are often lost sight of, and the good results are sometimes only incidental.

My amendment was designed to be completely objective and would impose no appreciable burden on the Executive, but would serve to remind the President, who bears the chief responsibility in the administration of this program, that the program has an objective. It would further insure that a conscious effort toward the attainment of that objective which impelled the program would be maintained.

My amendment is so mild that it does not ask even for substantial progress toward the objective we seek—only substantial effort. The amendment is as follows:

Page 13, line 21, after the words "the purpose hereof", strike out "title IV" and insert: "That no part of the assistance provided in this Act shall be made available to any government or nation until the President shall declare in writing that he finds that such government or nation has made substantial efforts, commensurate with its resources and state of development, to establish and make effective democratic institutions therein and to improve the level of education and standard of living of the general population of said nation; that freedom of expression exists therein or that a program towards the end of establishing freedom of expression exists in said nation and that such program is conscientiously pursued; that peaceful opposition to the government is not prohibited or inhibited by law or other governmental action; and, that the President shall include in said writing a general statement of the evidence on which he bases said findings." and reinsert at that point the words "Title IV".

Only the temper of this body and my desire to refrain from obstructing final acceptance of the bill as it is restrains me from introducing this amendment at this time in spite of my other commitments.

Mr. ASHLEY. Mr. Chairman, the mutual security appropriation bill before us is one of the most important pieces of legislation which this Congress will consider. This is particularly true in light of recent world events which have made it clear that the position of the United States, and indeed, the entire free world, is extremely insecure. It is for this reason that I am supporting this legislation wholeheartedly and it is also the reason why I will support amendments to strengthen the programs contained in the bill.

In light of the recent sequence of foreign policy setbacks, I think it is well to mention that there is one area where we have made a major gain in our relations abroad. I refer to the agreement reached after 9 years of negotiation by the World Bank and our Foreign Service

through which India and Pakistan will share the Indus waters. The United States and five other nations have agreed to make substantial contributions to this vital and imaginative project. It would be an incalculable blow to the United States throughout all of Asia if we were to scuttle the first major attempt to enlist other nations in joint aid efforts. For this reason and for others which my colleague from Connecticut, Mr. Bowles, will amplify, I intend to support this amendment which will make funds available for U.S. participation.

Most important of all, Mr. Chairman, is the need to restore the funds which have been cut from the military assistance program and from defense support. These cuts, amounting to \$400 million and \$124 million, respectively, would immediately and directly weaken our defense capability—at a time of heightened tension when few would think of lessening either our capability or resolve. The cut in military assistance, if carried out, would affect the modernization of defense equipment of our major allies, particularly in NATO, but also in the Far East. And if the cut in defense support is not restored we will have to reduce all along the line the strength of the defense maintained by our allies in our common interest, or in order to maintain full strength in some countries we will have to abandon or seriously limit our help in other areas. Either of these courses holds the potential of disaster for our friends and for ourselves.

Mr. ROGERS of Florida. Mr. Chairman, once again, we have before us the foreign aid appropriations bill. We are admonished by some of our colleagues here in the House, by Members of the other body and especially by representatives of the administration, that the substantial reductions recommended in the fiscal 1961 mutual security program by the committee, if acquiesced in by the Congress, will at least do violence to the concept of mutual security. Some carry their protestation a step further and tell us that any cut of consequence would wreck our prestige abroad and provide the proverbial hole in the dike through which would come rushing the flood of Communist imperialism.

These predictions of dire consequences are by no means new. Just as regularly as clockwork they accompany congressional consideration of both the foreign aid authorization and appropriation bills each year.

Permit me to recapitulate for a moment.

For fiscal 1956, the Congress appropriated \$2.7 billion for the mutual security program. For fiscal 1957, the President requested \$4.9 billion for this program. At the time, there were about \$7 billion on hand in unspent and carried-over funds. The House committee reduced the requested amount to \$3.665 billion. President Eisenhower appealed to the Congress to restore the cut saying that a refusal to do so "would definitely injure our efforts to help lead the world to peace based on cooperation and justice."

The late Secretary of State Dulles and the then Chief of the Joint Chiefs of

Staff Radford went before a closed meeting of the Senate Appropriations Committee with pleas for restoration of the cut. Dulles warned that if the Congress refused, "the world would interpret its action as meaning it believes the Communist danger has passed." He said further that the cuts voted "could have a serious psychological effect upon the nations of the free world who would relax their own great efforts if they felt the United States did not consider further efforts necessary." Radford said the cuts would not only jeopardize the Nation's security but "might well lead to a further weakening of the defense efforts of our allies." A former member of the Senate Foreign Relations Committee was quoted as saying that the cut voted by the House betrayed "complete misunderstanding of what we mean by the so-called foreign-aid program."

For fiscal 1958, the administration requested \$3.8 billion for foreign aid. The House reduced this amount by about \$400 million. Commenting on the reduction, the President said:

The cut can be considered as no less than a threat to our Nation's security and that of the free world.

Secretary Dulles, commenting on the reduction in defense support funds, said that it "would be felt at once and would seriously undermine the economics of allied countries." Another spokesman of the administration, while admitting that some of the programs had been badly executed, declared that Congress must take the responsibility "in the event world developments prove those cuts to have been unwise."

In connection with the Budget request of over \$3.9 billion for fiscal 1959 from which the House pared \$872 million, Mr. Walter Robertson of the State Department was quoted as declaring that "no one except the Communists would rejoice" if these cuts were sustained. He also called for patience and perspective with the "shortcomings and failings" in the administration of foreign aid. In an appeal for restoration of the full amount requested Secretary Dulles cited the Middle East crisis, and the powerful "forces of change" then at work in the world.

These changes will destroy us if we merely sit on the sidelines as observers.

At an earlier news conference, Mr. Dulles called these reductions "a grave threat to the security of the United States." Mr. James Smith, then Director of the International Cooperation Administration, was quoted as saying that congressional cuts in the aid program would be "almost precisely what the Soviet has been hoping for."

For fiscal 1960, the President appealed for support for a \$3.930 billion mutual security program as "a tool in our battle for a lessening of tension and some advancement toward peace." When the House reduced this amount by \$742.5 million, the President admonished this body for endangering this country's world position and for invading the domain of the executive department by writing into the bill a "freedom of information" provision. Secretary McEl-

roy said the reduction might be interpreted as an indication of a "softening in our attitude." Leonard J. Saccio, Acting Director of ICA, testifying before the Senate Appropriations Committee in support of economic aid programs, challenged advocates of economic aid reduction to show that reduction could be made without, first, "the gravest peril to U.S. foreign policy objectives"; second, "threatening the collapse of some countries heavily dependent on the aid"; third, "undermining the hopes of economic progress in many more countries"; fourth, "greatly strengthening the hand of local totalitarians who offer a desperate alternative to economic disaster"; and, fifth, "inviting the Soviet bloc to move forcefully into the vacuum with offers of economic aids."

Admonitions of a similar nature as in the past are with us again today. Already spokesmen have said that a large reduction in a foreign aid would be "regarded by the world as a headlong retreat by our country, either as an abandonment of collective security or as a withdrawal of our interest in the welfare of friendly peoples struggling to stand with us in freedom."

President Eisenhower has issued a strong public appeal for support of the foreign aid program. The House committee has again voted to substantially reduce the requested amount. If the temper of the House is the same as in past years, a substantial cut in requests will probably be sustained.

Actually, Mr. Chairman, I would point out that in the face of repeated substantial reduced appropriations for the foreign aid program over the last few years, there was still available more money than was spent. In fact, over the last 5 fiscal years, mutual security spending requests have totaled almost \$20 billion but only slightly in excess of \$19 billion has actually been spent. In only 1 fiscal year in the last 5 has more been actually spent than was requested in the budget. In this 1 fiscal year, 1956, it is significant to note that more money was available for expenditure due to the carry-over from the previous year of almost \$8 billion in unexpended funds. For the benefit of those who might not have these figures available, I would like to include them at this point in my remarks. They follow:

[Billions]

Fiscal year	Requested	Spent
1956.....	\$3.4	\$4,256.9
1957.....	4.9	4,003.4
1958.....	3.8	3,636.8
1959.....	3.9	3,866.5
1960.....	3.9	3,349.9
Total.....	19.9	19,113.5

Also, I think the record will show that a number of the serious international tensions we face today are totally unrelated to the amount of foreign aid funds we have to spend.

Investigation into the foreign aid program time and time again have led to the conclusion that the major problem is not too little money but too much—that it was not reaching the people. Those who have urged patience and per-

ception with its failures and shortcomings continue to explain away these failures and shortcomings by telling us that corrective action is being taken. Such explanations make one wonder whether remedial action is taken before or after the mistake.

Mr. Chairman, the President himself has gone on record as supporting a greater emphasis on loans and a corresponding deemphasis on direct gift and grant economic assistance. This year, a report on section 503(c) of the Mutual Security Act was submitted to the Congress. This section, added to the bill last year as a result of an amendment sponsored by Senator MANSFIELD and myself, directed the President to cause a study to be made into the gift and grant program and a plan devised to progressively reduce these programs. The report submitted as a result of this study gave reassuring news that this gift and grant program is about half of the countries now receiving this type aid could well be terminated in the next 5 years. I hope that this beginning will mark a rapid switchover from a concept of direct gifts to one of loans—thereby conditioning our aid to recipient nations for their economic development with an obligation of repayment.

To assist in this switchover, there are a number of national and international sources of financing aimed specifically at economic development. The World Bank, with an authorized capitalization of some \$21 billion, offers long-term loans to member nations to aid in their industrialization and development. The Bank's membership consists of the governments of 68 nations, each subscribing to its capital stock in accordance to its own economic strength. The lending operations of the World Bank are conducted on the basis of three main principles: one, that the borrowing country must be in a position to repay the loan; two, that the project or program to be financed will be of such benefit to the economy as to justify the borrowing of foreign exchange; and three, that the project is itself well designed and feasible of operation.

I submit, Mr. Chairman, that these principles are such that they might well become the basis of a sound economic aid program. The Bank employs only 600 people; these 600 people have and are supervising some 600 projects in 50 countries. To date, every loan has been met in principal and interest payments. This fact is not happenstance. It has resulted from careful planning and controlled operations. Contrast this to the administration of today's foreign aid program with its more than 43,000 employees, limitless funds and questionable results.

The Export-Import Bank is authorized to borrow up to 8 billion from the U.S. Treasury to loan to foreign nations. Money loaned remains in this country to purchase American goods and machinery and the like thus helping to strengthen the American export trade.

The Inter-American Development Bank, American participation in which was authorized by the Congress last year, has not yet begun operation but

nonetheless will serve to encourage development among our friends in Latin America.

In addition, private enterprise is willing and anxious to provide the needed financing for undeveloped countries. This source of aid is too often, I feel, not utilized to the point of its capabilities and willingness. A sound program of providing economic aid to the underdeveloped countries cannot afford to ignore such possibilities.

In sum total, Mr. Chairman, my disagreement is not with the concept of mutual security, as such. I fully realize that our allies must be strengthened militarily. I also appreciate that there are underdeveloped nations in the world in which economic development should be fostered and encouraged. My objection is lodged against the means with which we are striving to attain these desirable ends. The shortcomings and excesses which we are asked to be patient with continue and mount and administering bureaucracies grow larger and larger. We create dependency instead of self-sufficiency and self-respect. In good conscience, Mr. Chairman, I cannot support this program with such large sums on hand and unspent nor until such time as it is reevaluated in terms of a better approach and a greater effort made to reach the people with something they can understand and appreciate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. REUSS].

The amendment was rejected.

Mr. McDOWELL. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. McDOWELL: On page 7, line 10, insert "(a)" immediately after "Sec. 105."

On page 7, between lines 15 and 16, insert the following:

"(b) None of the funds appropriated by this Act, and none of the counterpart funds or other foreign currencies generated through the use of funds appropriated by this Act, shall be available for expenditure by any Member of the Senate or House of Representatives (including the Resident Commissioner from Puerto Rico) in connection with travel outside the United States where no full public disclosure itemizing all such expenditures will be made."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware [Mr. McDOWELL].

The amendment was rejected.

(Mr. MEADER asked and was given permission to extend his remarks at this point in the RECORD.)

PRIVATE ENTERPRISE IN UNDERDEVELOPED AREAS

Mr. MEADER. Mr. Chairman, the April 1956 edition of Fortune magazine published an editorial entitled "The American Game," a portion of which I want to quote:

The real source of America's strength lies in its own flexible and dynamic system of private enterprise, and in the projection of that system abroad.

I incorporated the editorial in remarks I offered to the House Tuesday, May 22, 1956—CONGRESSIONAL RECORD, pages 8753 to 8754. I regard that editorial, and particularly the paragraph I quote, as

identifying the most powerful and effective weapon we possess with which to fight our ideological war against communism. The real contest is for the minds and attitudes of the peoples of the new nations emerging from colonialism, most of them loosely classified as underdeveloped by our standards. In this contest our deeds certainly will speak louder than words. A demonstration that free economic and political institutions are superior to the organized slavery of communism is ideological cash in the bank of world public opinion; high sounding oratory, slogans and headlines without performance are debits against international good will.

I have always felt that our assistance in economic development overseas should be provided by the American business community with their own capital at no cost to the taxpayers, and that the role of our Government is to foster and facilitate private capital investments overseas by using its personnel and diplomatic sanctions and instruments to break down artificial barriers to trade and investment and thus contribute to the attractiveness of private capital investments abroad.

One of the principal efforts of my service in Congress, has been an attempt to direct the efforts of our Government along those lines. In 1951 I urged the creation of a Commission to study the problem and map a course to achieve that goal. That effort, I am unhappy to say, was unsuccessful—CONGRESSIONAL RECORD, April 23, 1951, pages 4209 to 4212.

In 1956, Congress created the Development Loan Fund. I offered an amendment to the declaration of purposes of the fund to indicate that in assisting underdeveloped areas it was the intent of Congress that we foster free enterprise economies.

As many of you know, that idea was strenuously opposed by both the State Department and the ICA, and it is due, in my judgement, only to the statesmanship and clear thinking and foresight of two of our former colleagues, the Honorable John Vorys, of Ohio, and the Honorable Brooks Hays, of Arkansas, that the free enterprise idea was incorporated into the charter of the Development Loan Fund.

Mr. Chairman, this year there have been two important developments which have given impetus to the movement to enlist American capital to make a greater contribution to economic undertakings overseas. The first is passage by the House of Representatives of the Boggs bill, H.R. 5, providing tax incentives for investments abroad, and the second, the attitude of the new management of the Development Loan Fund under its new Director, Mr. Vance Brand. Mr. Brand assumed office as Director in September 1959. Repeatedly, in appearances before our Foreign Operations and Monetary Affairs Subcommittee of the Committee on Government Operations, he has asserted that he proposes to use the funds and powers of the Development Loan Fund to foster and encourage private capital to make its contribution in economic development abroad and to induce

beneficiaries of our assistance to shape their own economies along freely competitive lines.

Mr. Chairman, my attention has been called to an article written by Mr. Brand for the current issue of the General Electric Defense Quarterly in which he not only enunciates this policy, but cites examples where it actually has been carried out. I want to commend Mr. Brand for this forthright espousal of our traditional American principles of free economic institutions, and I believe that not only my colleagues, but the American people, generally, should be aware of this significant and salutary development.

Where economic development abroad can be carried out by the investment of private capital rather than government grants and loans, these significant advantages accrue:

First, and most obvious, is the relief to the taxpayer by reducing the amount he must contribute to foreign aid;

Second, the tax base is broadened by the capital invested and the earnings accrued;

Third, know-how and technology naturally accompany overseas movement of capital, and the resulting training of indigenous personnel, both labor and management, is undoubtedly better than the current forced-draft type of training where our Government hires technically skilled people at taxpayers' expense to provide training in underdeveloped areas;

Fourth, the people-to-people relationship resulting from Americans doing business abroad widens understanding and strengthens economic and social ties between our people and those of other countries; and

Fifth, government-to-government grants or loans for economic development must inevitably encourage government participation and interference in economic and commercial undertakings ranging from socialistic or communistic ownership and operation at one end of the spectrum to price fixing and other types of regulation at the other.

More important than any of the foregoing consideration is that in both advocating and demonstrating the free enterprise system in economic development we are striking our most effective blow against the Communist ideology by showing in actual practice the superiority of a system which leaves the maximum of discretion to the individual and makes full use of those most important natural resources of all—the energy, the ambition, the courage, and the determination inherent in every human being striving to improve his lot. In this way America will be on the offensive in the ideological combat rather than the defensive.

Mr. Brand's article appropriately points out that the Government cannot draft or compel the American business community to participate in economic development overseas. But our Government can and should pave the way for natural economic forces to operate freely, unhampered by artificial restrictions and inhibitions imposed either by our Government or the governments of the countries we are seeking to assist.

In my judgment all our Government personnel having any relationship to this program should conduct their day-to-day operations and should shape their policies and programs to encourage and facilitate the objective of economic development through private capital investment. Since the Development Loan Fund is one of the most important Government instruments in this area, it is encouraging that its Director, Mr. Brand, has forthrightly and vigorously announced a policy in line with the foregoing objectives.

Mr. Chairman, the Foreign Operations and Monetary Affairs Subcommittee has been conducting a study of the operations of the Development Loan Fund, and on April 19, 1960, filed with the House its report on one aspect of Fund operations ("Operations of the Development Loan Fund," H. Rept. No. 1526). The committee was critical of the practice of earmarking or making advance annual country allocations. The report points out that the period of which the committee was critical were fiscal years 1958 and 1959. As previously noted, Mr. Brand was not appointed Director of the Development Loan Fund until September, 1959, subsequent to the period which the committee study covered. Thus, the criticism contained in the report was not and ought not to be considered as directed against Mr. Brand's administration of the Development Loan Fund.

The subcommittee is continuing its study of the Development Loan Fund, and one of the aspects of that study which is of greatest interest to me is the extent to which the policy announced by Mr. Brand in his article is actually effected in practice.

I incorporate Mr. Brand's article at this point in my remarks:

[From the General Electric Defense Quarterly, April-June 1960]

AMERICAN PRIVATE RESOURCES IN OVERSEAS DEVELOPMENT

(By Vance Brand, Managing Director, Development Loan Fund)

The Development Loan Fund represents a new approach to managing U.S. financial resources, in an effort to help bring about economic breakthroughs in underdeveloped countries. The man who controls DLF's worldwide lending program explains what this means to the United States:

Foreign economic development improves American economy.

The DLF opens broad new areas to American private enterprise.

It offers practical encouragement of the American way of life abroad.

It is an approach where we have the jump on the Soviets.

Yesterday the frontiers of opportunity lay in the underdeveloped lands beyond the Mississippi. Today they lie in the underdeveloped lands beyond the seas—in Latin America, Asia, the Near East, Africa, and the Far East. Since Tokyo is now within 15 to 20 hours' flying time of San Francisco, perhaps we should begin speaking not of the Far East but rather of the near West.

Here at home we have been able to make unparalleled use of our human and physical resources because we have a sound, well-motivated economic system based on private enterprise. Similarly, the full development of the resources and opportunities of underdeveloped areas overseas depends upon the establishment and maintenance of sound economic systems in those areas. We can

best encourage the growth of such systems by bringing more countries into the natural network of spontaneous business relationships through which most of the Free World's commerce and enterprise are carried out. This in turn will require good management of one of our own most important and least recognized resources—our talent for the organization and management of business enterprises in a free society—so that it can make the most effective and appropriate contribution to the development task.

OUR ECONOMIC SYSTEM ON TRIAL

Our economic system is now on trial in underdeveloped regions which make up the most populous portions of the world. The people of those regions are fully committed to swift economic progress, but they are not yet committed to our way of achieving progress. Their needs and demands would present a vital problem to our system even if the Soviet Union did not exist. But Communism does provide an important yardstick against which our system is being measured by a billion or more people in some 60 nations.

For years the U.S. Government has been devoting considerable resources to the task of guiding underdeveloped nations toward the Western form of civilization. It has participated in international programs and has set up programs of its own, including those of the Export-Import Bank, the International Cooperation Administration, and the agency which I head—the Development Loan Fund.

The Development Loan Fund embodies a new approach, a new way of managing U.S. Government resources, in the effort to help bring about an economic breakthrough in the underdeveloped countries. It is an autonomous Government corporation established under the foreign policy guidance of the Secretary of State to make loans for specific projects or programs, public or private, which contribute to the economic development of underdeveloped countries. It is especially designed and empowered to help overcome one problem revealed by post-war experience to be a basic obstacle to economic development. That problem is the need of the developing nations for foreign-exchange financing, coupled with their inability to carry large burdens of hard currency foreign debt. Since the DLF is authorized to accept local-currency repayment, when appropriate, of its dollar loans, it can provide dollar financing without increasing the dollar debt load.

Congress has appropriated \$1,400 million to the Development Loan Fund for lending. The DLF has approved about \$1 billion in credit commitments of various kinds for undertakings in 43 countries. It has under consideration projects which will absorb all the remaining \$400 million capital availability. President Eisenhower has requested the appropriation of an additional \$700 million in his budget for fiscal year 1961.

U.S. ECONOMIC AID TO 60 COUNTRIES

The U.S. Government's efforts to encourage long-term economic development in lesser developed countries constitute a positive program, which was established well before the Soviets entered the field. It is only in the past 5 years that the Soviets have rendered economic assistance to underdeveloped countries outside their own bloc, and their aid so far extends to 18 nations—the bulk of it to only six nations. By contrast, U.S. economic assistance efforts reach into more than 60 countries. This field of economic development is one in which the Soviets have reacted to our efforts, rather than we to theirs.

But Government programs, essential though they are, are not enough to meet the challenges and trials of these times. They are inadequate, not merely because the Government cannot possibly provide all the

resources needed, but mainly because the bulk of the job consists of something that no government can do.

The underdeveloped nations possess no such reservoir of trained administrative and technical talent as we found in Europe during Marshall plan days. In restoring the European economy, it was enough to provide the fruits of our economic system, in the form of plant and equipment to replace that destroyed by war. But the developing nations lack not only modern technology but the economic complex needed to use and sustain it and distribute its products. Therefore we must help them obtain not merely the products of a modern system, but the system itself. Naturally, without prejudice to their own beliefs and ambitions, we are eager to see them progress under a system of economic freedom, for we know by experience that free private enterprise calls forth more of the capabilities of a whole people, and contributes more toward the ultimate aim of human self-fulfillment, than any other kind of system yet devised.

FREE ENTERPRISE CANNOT BE IMPOSED

Such a system can be encouraged but it cannot be imposed. It must be demonstrated by example, and we can encourage its growth best by working with the people we aim to assist. Setting up business relationships with the producers of other lands; bringing them into the network of our system, and sharing its benefits with them; demonstrating the use and value of private property, and helping them to obtain it; establishing a middle propertied class with a personal stake in economic and political freedom—these are the things that count, and they are not things that can be done primarily by governments. They must be done mainly by free private enterprise.

Is it not a mistake to think of development assistance only as foreign aid? Rather, it is economic growth. Economic development creates wealth, trade, and opportunities. When new wealth is created anywhere in the world, we Americans have always received our share of it. Just as, a hundred years ago, the development of our western frontier benefited the developed eastern seaboard, so today the development of less developed nations will benefit us in the United States. Our development programs overseas are American programs for—among other people—Americans.

This concept of growth is peculiarly American. Basically, the Soviets assist other countries in order to attract them into the Soviet political orbit. But basically we assist other countries in order to increase the sum total of prosperity in the world. We have learned by experience that it pays to increase the prosperity of the common man. This is the principle that distinguishes the American type of civilization from past civilizations, and is the basis of our approach to other nations.

PARTNERSHIP WITH PRIVATE ENTERPRISE

Thus it is clear that with respect to the underdeveloped nations, the interests of private enterprise and of the U.S. Government coincide and complement each other. It follows that they should work closely together in the pursuit of their mutual interest. The achievement of a working partnership with American private enterprise is a major drive of the Development Loan Fund.

Private enterprise needs such a partnership just as the Government does. Excluding investments for oil, in recent years new U.S. private investments in Africa, the Near East, South Asia, and the Far East put together have amounted to about \$60 million a year. A good many American countries have larger budgets than that. Yet American private enterprise has never been known to turn its back on opportunity without good reason. We believe that the Government can help overcome some of the ob-

stacles that have kept American private enterprise from assisting the opening of the vast potential opportunities that exist in the less developed countries.

Your U.S. Government helps finance basic nonprofit facilities such as roads, railroads, harbors, and communications, which form the foundations for private enterprise, both local and American. It encourages and assists local private enterprise, and thus fosters the principle of private enterprise in societies still being formed. With its own development programs, it helps to guide the growth of the developing countries during the period while American private enterprise has not yet extended its network of relationships into those areas.

Now we believe the time is ripe for more direct measures of cooperation. The Development Loan Fund's unique powers enable it to share risks through joint undertakings with U.S. and local private enterprise. We would like U.S. enterprise to undertake an effort in cooperation with us to make the fullest possible use of our assistance.

BUILDING WITH RICE IN KOREA

Some U.S. enterprises have already found the way to our doors. For example, officials of the Tectum Corp., of Columbus, Ohio, who makes a flexible building material out of wood excelsior and chemical binder, discovered that the greatest economic need of Korea is for building material, and furthermore that their process could be modified to use rice straw instead of wood excelsior. With their assistance a Korean firm has been established to manufacture the rice-straw product, and the Development Loan Fund is providing a relatively small loan of \$1,100,000 to procure American-made equipment. We believe this enterprise will grow. When one considers the shortage of lumber and building materials throughout Asia, and the commonness and cheapness of rice straw in the same region, the potentialities of the enterprise appear truly enormous. Here is a case where we have been able to help private American enterprise put over a new idea of great potential economic importance in an underdeveloped area.

DEVELOPING GUATEMALAN COFFEE BAGS

Similarly, we are helping some American researchers and investors join Guatemalan investors in establishing a factory to make coffee bags out of the fibers of the kenaf plant. This enterprise will save Guatemala about \$1 million a year in foreign exchange now spent to import jute bags and will provide a new crop for Guatemalan farmers. We are helping some investors in Detroit set up a sawmill in Liberia, in connection with Liberian investors. At present Liberia imports lumber, although it has millions of acres of forest. We have helped a firm with joint American and Chinese ownership expand a shipyard on Taiwan. We are helping an American corporation expand and modernize a meatpacking and ranching operation which is Paraguay's largest earner of dollar exchange. I could cite other examples in which the DLF has helped American capital and talent develop creative opportunities in cooperation with the people of other countries.

We want to see this kind of activity carried out on a larger scale and on a more systematic basis. We would like to see American private enterprise deliberately search out opportunities for joint investment in underdeveloped nations, and then consult with us on the best means of establishing productive industries. This has already begun to happen. We are now considering a transaction in which the Development Loan Fund, certain important American corporations and financial interests, and certain local private investors may join resources to finance, construct, and manage a new industry in the multihun-

dred-million-dollar range of magnitude in a country which has been receiving U.S. development aid. Serious discussions are under way toward forming a similar investment combination to operate in a different underdeveloped country. We have opened discussions toward the formation of a third group interested in petrochemical industries in still another developing country. Thus a pattern for partnership is being formed and implemented in specific actions.

WORLD DEVELOPMENT WORKSHOPS

Furthermore, in cooperation with the Department of Commerce, we plan to hold periodic workshops in which representatives of Government agencies and senior corporation officials will take part. Through these seminars and in every other way we can devise, we shall continuously seek to broaden the participation of American free enterprise in the task which confronts us in the developing regions of the world.

We in the Government mean to play our due part in organizing and carrying out our partnership with enterprise. But we do not believe it should be the kind of partnership in which Government forms the program and private enterprise supports it. Both free enterprise and Government are essential to the success of the endeavor, but fundamentally I believe that overseas, as at home, in the economic field the Government should exist to serve enterprise, rather than the other way around. The latter road leads toward statism, which is the opposite of what we are trying to accomplish.

We in the Development Loan Fund are still learning how to make the best use of this new instrument for economic growth. It will be some time before the projects we are assisting can manifest their full effects. Even after the factories are built and turning out products, and the roads and railroads are complete and carrying traffic, the full story will still remain to be told. For our loans are for creative undertakings that can lead to further enterprise. The transportation arteries will open new areas to settlement and development; the communications systems and commercial facilities will stimulate the flow of trade; the factories and industries will give rise to secondary undertakings of many kinds. Not all of our loans are for spectacular monuments of development, but they all will help bring about ever-increasing well-being in the countries in which they are made. They will contribute to our objective of establishing a prosperous citizenry in each underdeveloped country, who will at once support the continued growth of their own nations, increase the volume and variety of world trade, and form the best possible encouragement of our American way of life among our friends abroad.

This effort merits the finest talent our Nation can put forth. The Soviets are sending their best men into the underdeveloped countries—men capable not only of building and directing projects, but of extending the influence of their system at every opportunity. They must more than meet their match in Americans equally capable of representing and strengthening the system of free private endeavor. We must meet their first team with our first team; and our first team must necessarily include the best talent available in American private enterprise.

The Soviet Government can deploy all the talent of its nation in the service of the state. The United States cannot order its business brains here and there; this would violate our basic principles of freedom. Therefore we must rely on the voluntary efforts of private enterprise—encouraged and supplemented by our Government—to cope with Soviet statism in the pivotal underdeveloped regions. It is up to American firms to come out for the team. Today there are no spectators.

Mr. Chairman, I recently had an exchange of correspondence with Mr. Bryce Harlow of the White House staff concerning reductions in the budget estimates for mutual security appropriations. Because it explains a position I have consistently taken with respect to mutual security, I include that exchange of correspondence at this point in my remarks.

MAY 17, 1960.

The Honorable GEORGE MEADER,
House of Representatives,
Washington, D.C.

DEAR GEORGE: On Saturday last, as he completed preparations for the summit conference in Paris, President Eisenhower requested me to send to you, in his behalf, this note of gratification and appreciation for your support of the mutual security authorization bill. He stressed once again his profound conviction that this program is indispensable to our own and free world defense against Communist imperialism, and indispensable also in encouraging struggling millions in less fortunate nations in their effort to live their lives in freedom. It is a program requiring, he said, unreserved support by all of our informed citizens and officials, and he feels it would be the height of folly to allow isolated administrative shortcomings and disappointments, or local considerations, political or otherwise, to tempt anyone to jettison or cripple the entire undertaking.

Especially the President voiced this hope, and asked that it be communicated to you in his behalf: that your responsible act of support for the mutual security authorization be matched by a determined resistance to any effort to effect massive reductions in the mutual security appropriations soon to be considered by the House. Massive reductions, he pointed out, can be accomplished only by undermining our own security, free world security, and the cause of human freedom everywhere in the world.

The President asked me to explain that he would have advised you himself of these views had his time permitted before leaving for Paris.

With best wishes.

Sincerely,

BRYCE N. HARLOW,
Deputy Assistant to the President.

MAY 25, 1960.

Mr. BRYCE N. HARLOW,
Deputy Assistant to the President,
The White House,
Washington, D.C.

DEAR BRYCE: Thanks for your letter of May 17, conveying the President's views on mutual security.

My study of the foreign aid programs, both as a member of the Subcommittee on Foreign Operations of the House Government Operations Committee and as an individual, has developed a conviction that our foreign aid program should, if it is properly administered, show successive reductions in annual appropriations, as the goal of assisting friendly, foreign countries to achieve economic and political stability is accomplished. In some areas, such as Iran and Laos, excessive spending actually has harmed our program.

It has likewise been my belief that economic stability is best achieved when those we are seeking to assist do their utmost to help themselves—that our aid should simply be an incentive and should not underwrite either unsound and extravagant programs or government owned socialistic economic enterprises.

Accordingly, I am sure the \$4 billion figure requested by the administration can be reduced substantially and not weaken but, on the other hand, improve and

strengthen the foreign aid program if smaller sums of money are administered in a more efficient and more businesslike manner. On the other hand, I will not support reckless reductions.

Incidentally, I hope you will support efforts to provide that Congress, its committees, and the General Accounting Office have complete access to information relating to foreign aid expenditures.

It was good to hear from you, and I hope we may have an opportunity to discuss the aid program personally and in greater detail.

Sincerely,

GEORGE MEADER.

MAY 31, 1960.

The Honorable GEORGE MEADER,
House of Representatives,
Washington, D.C.

DEAR GEORGE: I warmly appreciate your frank letter responding to mine about mutual security. I recognize that the judgment factor is large in setting the size of this effort, and certainly I respect your feeling that reductions, though not reckless ones, ought to be made. By the same token, I feel sure you have some feeling of receptivity for the very earnest views held on this matter by the Joint Chiefs unanimously, the Secretaries of State and Defense, and the President as well—none of them inclined to spend excessively or beyond our security needs.

A good visit with you is long overdue anyway. Let's do it very soon. With warm regard,

Sincerely,

BRYCE N. HARLOW,
Deputy Assistant to the President.

The CHAIRMAN. Are there any other amendments?

Mr. PASSMAN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12619) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. PASSMAN. Mr. Speaker, I ask for a separate vote on the Taber amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Page 2, line 15, strike out "\$1,600,000,000" and insert "\$1,800,000,000".

The SPEAKER. The question is on the amendment.

Mr. PASSMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 212, nays 173, answered "present" 2, not voting 45, as follows:

[Roll No. 137]

YEAS—212

Addonizio	Ford	Murphy
Andersen,	Frelinghuysen	Nelsen
Minn.	Friedel	Nix
Anderson,	Fulton	O'Brien, Ill.
Mont.	Gallagher	O'Brien, N.Y.
Ashley	Gavin	O'Hara, Ill.
Auchincloss	Giaino	O'Hara, Mich.
Avery	Gilbert	Oliver
Ayres	Glenn	Osmers
Baker	Goodell	Ostertag
Baldwin	Granahan	Pelly
Barrett	Green, Pa.	Perkins
Barry	Griffin	Pillion
Bates	Griffiths	Pirnie
Baumhart	Gubser	Poff
Becker	Hallick	Price
Beckworth	Halpern	Prokop
Berry	Healey	Pucinski
Boggs	Hébert	Quile
Boland	Hess	Quigley
Bolling	Hiestand	Ray
Bolton	Hoeven	Reece, Tenn.
Bosch	Holland	Rees, Kans.
Bowles	Holt	Rhodes, Ariz.
Brademas	Holtzman	Rhodes, Pa.
Brewster	Horan	Riehlman
Broomfield	Hosmer	Rivers, Alaska
Broyhill	Inouye	Robison
Burke, Ky.	Irwin	Rodino
Burke, Mass.	Jackson	Rogers, Colo.
Byrne, Pa.	Jarman	Rogers, Mass.
Byrnes, Wis.	Judd	Rooney
Cahill	Karsten	Roosevelt
Canfield	Karth	Rostenkowski
Cederberg	Kearns	St. George
Chamberlain	Kelly	Santangelo
Chenoweth	Kilburn	Saund
Chiperfield	Kilday	Schenck
Church	Kluczynski	Schneebeil
Coad	Kyl	Schwengel
Coffin	Lafore	Simpson
Cohelan	Laird	Sisk
Conte	Langen	Smith, Iowa
Cook	Lankford	Smith, Miss.
Corbett	Latta	Springer
Cramer	Lesinski	Stratton
Curtin	Libonati	Sullivan
Curtis, Mass.	Lindsay	Taber
Curtis, Mo.	Lipscomb	Teague, Calif.
Daddario	McDonough	Teller
Dague	McDowell	Thompson, N.J.
Daniels	McFall	Thompson, Tex.
Delaney	McIntire	Thomson, Wyo.
Dent	Machrowicz	Thornberry
Derounian	Madden	Toll
Diggs	Magnuson	Tollefson
Dixon	Mailliard	Vanik
Dooley	Martin	Van Pelt
Dorn, N.Y.	May	Van Zandt
Doyle	Metcalf	Vinson
Dwyer	Miller	Wailhauser
Elliott, Pa.	George P.	Walter
Fallon	Miller, N.Y.	Weis
Farbstein	Milliken	Westland
Fascel	Minshall	Wharton
Feighan	Mitchell	Widnall
Fenton	Monagan	Wolf
Fino	Moorhead	Yates
Flood	Morgan	Younger
Fogarty	Moss	Zablocki
Foley	Mutter	Zelenko
Forand	Mumma	

NAYS—173

Abbitt	Bennett, Mich.	Collier
Abernethy	Betts	Colmer
Adair	Blatnik	Cooley
Albert	Bonner	Cunningham
Alexander	Bray	Davis, Ga.
Alford	Breeding	Davis, Tenn.
Alger	Brock	Dawson
Allen	Brooks, La.	Derwinski
Andrews	Brooks, Tex.	Devine
Ashmore	Brown, Ga.	Dingell
Aspinall	Brown, Ohio	Donohue
Bailey	Budge	Dorn, S.C.
Baring	Burleson	Dowdy
Barr	Cannon	Downing
Bass, Tenn.	Casey	Dulski
Belcher	Cheif	Edmondson
Bennett, Fla.	Clark	Elliott, Ala.

Everett	Kee
Evins	Kilgore
Fisher	King, Utah
Flynn	Knox
Flynt	Landrum
Forrester	Lane
Fountain	Lennon
Frazier	Levering
Garmatz	McCulloch
Gary	McGinley
Gathings	McMillan
George	McSweeney
Grant	Macdonald
Gray	Mack
Green, Oreg.	Mahon
Gross	Marshall
Hagen	Mason
Haley	Matthews
Hardy	Meador
Hargis	Michel
Harmon	Miller, Clem
Harris	Mills
Harrison	Moeller
Hays	Montoya
Hechler	Moore
Hemphill	Morris, N. Mex.
Henderson	Murray
Herlong	Natcher
Hoffman, Ill.	Norblad
Hogan	Norrell
Huddleston	Passman
Jennings	Patman
Jensen	Pfost
Johansen	Philbin
Johnson, Calif.	Pilcher
Johnson, Md.	Poage
Johnson, Wis.	Porter
Jonas	Powell
Jones, Ala.	Preston
Jones, Mo.	Rabaut
Kastenmeier	Rains

NOT VOTING—45

Anfuso	Hollifield	Meyer
Arends	Hull	Morris, Okla.
Barden	Ikard	Morrison
Bass, N.H.	Johnson, Colo.	Moulder
Bentley	Kasem	O'Neill
Blitch	Keith	Randall
Bow	Keogh	Shelley
Boykin	King, Calif.	Sheppard
Brown, Mo.	Kirwan	Shipley
Buckley	Kitchin	Taylor
Burdick	Kowalski	Thompson, La.
Carnahan	Loser	Wainwright
Celler	McCormack	Willis
Denton	McGovern	Wilson
Durham	Morrow	Withrow

PRESENT—2

Hoffman, Mich. O'Konski

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Taylor for, with Mr. Shipley against.

Mr. Celler for, with Mr. Moulder against.

Mr. Loser for, with Mr. Hull against.

Mr. McGovern for, with Mr. Brown of Missouri against.

Mr. Keogh for, with Mr. Kitchin against.

Mr. King of California for, with Mr. Willis against.

Mr. Shelley for, with Mrs. Blitch against.

Mr. Buckley for, with Mr. Barden against.

Mr. Hollifield for, with Mr. Meyer against.

Mr. O'Neil for, with Mr. Thompson of Louisiana against.

Mr. Morrison for, with Mr. Kirwan against.

Mr. Anfuso for, with Mr. Sheppard against.

Mr. Ikard for, with Mr. Kowalski against.

Mr. Arends for, with Mr. O'Konski, against.

Mr. Bow for, with Mr. Denton against.

Mr. Bentley for, with Mr. Hoffman of Michigan against.

Until further notice:

Mr. Johnson of Colorado with Mr. Wainwright.

Mr. Burdick with Mr. Morrow.

Mr. Carnahan with Mr. Keith.

Mr. Durham with Mr. Bass of New Hampshire.

Mr. Boykin with Mr. Wilson.

Mr. Morris of Oklahoma with Mr. Withrow.

Mr. HOFFMAN of Michigan. Mr. Speaker, I have a live pair with the gen-

tleman from Michigan [Mr. BENTLEY]. I voted "nay." Had he been present he would have voted "yea." I withdraw my vote, and vote "present."

Mr. O'KONSKI. Mr. Speaker, I have a live pair with the gentleman from Illinois [Mr. ARENDS]. If present, he would have voted "yea," I voted "nay." Therefore I withdraw my vote and vote "present."

Mr. DENT and Mr. WOLF changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. ANDERSEN of Minnesota. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ANDERSEN of Minnesota. Mr. Speaker, it is entirely too liberal in non-defense items, and I am therefore opposed to the bill.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ANDERSEN of Minnesota moves to recommit the bill H.R. 12619 to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas, 258, nays 124, answered "present" 3, not voting 47, as follows:

[Roll No. 138]

YEAS—258

Addonizio	Chelf	Fallon
Albert	Chenoweth	Farbstein
Anderson,	Chiperfield	Fascel
Mont.	Clark	Feighan
Ashley	Coad	Fenton
Aspinall	Coffin	Fino
Auchincloss	Cohelan	Flood
Avery	Conte	Flynn
Ayres	Cook	Fogarty
Baker	Cooley	Foley
Baldwin	Corbett	Forand
Barrett	Cramer	Ford
Barry	Curtin	Frazier
Bates	Curtis, Mass.	Frelinghuysen
Baumhart	Curtis, Mo.	Friedel
Becker	Daddario	Fulton
Beckworth	Dague	Gallagher
Bennett, Fla.	Daniels	Garmatz
Blatnik	Davis, Tenn.	Gary
Boggs	Dawson	George
Boland	Deaney	Giaino
Bolling	Derounian	Gilbert
Bolton	Diggs	Glenn
Bowles	Dingell	Goodell
Brademas	Dixon	Granahan
Breeding	Donohue	Green, Oreg.
Brewster	Dooley	Green, Pa.
Broomfield	Dorn, N.Y.	Griffin
Broyhill	Downing	Griffiths
Burke, Ky.	Doyle	Gubser
Burke, Mass.	Dulski	Hagen
Byrne, Pa.	Dwyer	Hallick
Byrnes, Wis.	Edmondson	Halpern
Cahill	Elliott, Ala.	Hardy
Canfield	Elliott, Pa.	Hays
Chamberlain	Evins	Healey

Hébert
Herlong
Hess
Hiestand
Hoeven
Holland
Holt
Holtzman
Horan
Hosmer
Huddleston
Inouye
Irwin
Jackson
Jarman
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Jones, Mo.
Judd
Karsten
Karth
Kastenmeier
Kearns
Kee
Kelly
Kilburn
Kilday
King, Utah
Kyl
Lafore
Laird
Lane
Langen
Lankford
Lesinski
Libonati
Lindsay
McDonough
McDowell
McFall
Macdonald
Machrowicz
Madden
Magnuson
Mahon
Maillard
Marshall
Martin
Matthews

May
Meader
Metcalf
Miller, Clem
Miller,
George P.
Miller N.Y.
Milliken
Mills
Mitchell
Monagan
Montoya
Moorhead
Morgan
Moss
Multer
Mumma
Murphy
Natcher
Nelsen
Nix
Norblad
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Osmers
Ostertag
Passman
Pelly
Perkins
Philbin
Pillion
Plrnie
Porter
Powell
Price
Prokop
Pucinski
Quile
Quigley
Rabaut
Rains
Ray
Rees, Kans.
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Rivers, Alaska
Roberts

NAYS—124

Abbott
Abernethy
Adair
Alexander
Alford
Alger
Allen
Andersen,
Minn.
Andrews
Ashmore
Bailey
Baring
Barr
Bass, Tenn.
Belcher
Bennett, Mich.
Berry
Betts
Bonner
Bosch
Bray
Brock
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brown, Ohio
Budge
Burleson
Cannon
Casey
Church
Collier
Colmer
Cunningham
Davis, Ga.
Dent
Derwinski
Devine
Dorn, S.C.
Dowdy
Everett

NOT VOTING—47

Anfuso
Arends
Barden
Bass, N.H.
Bentley
Blitch
Bow
Boykin

Robison
Rodino
Rogers, Colo.
Rogers, Mass.
Rooney
Roosevelt
Rostenkowski
Santangelo
St. George
Saund
Schenck
Schneebeli
Schwengel
Selden
Sisk
Slack
Smith, Iowa
Smith, Miss.
Spence
Springer
Staggers
Stratton
Stubblefield
Sullivan
Taber
Teague, Calif.
Te'ler
Thompson, N.J.
Thornberry
Toll
Tollefson
Trimble
Udall
Ullman
Vanik
Van Zandt
Vinson
Wallhauser
Walter
Watts
Weis
Westland
Widnall
Wier
Wolf
Wright
Yates
Younger
Zablocki
Zelenko

Kitchin
Kluczynski
Kowalski
Loser
McCormack
McGovern
Merrow
Meyer

Morris, Okla.
Morrison
Moulder
O'Neill
Oliver
Randall
Shelley
Sheppard

Shipley
Taylor
Thompson, La.
Wainwright
Willis
Wilson
Withrow

PRESENT—3

Cederberg Hoffman, Mich. O'Konski

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Celler for, with Mr. Shipley against.
Mr. McCormack for, with Mr. Moulder against.

Mr. Buckley for, with Mr. Hull against.
Mr. Kirwan for, with Mr. Brown of Missouri against.

Mr. Keogh for, with Mr. Kitchin against.
Mr. Sheppard for, with Mr. Willis against.
Mr. King of California for, with Mrs. Blitch against.

Mr. Anfuso for, with Mr. Barden against.
Mr. Ikard for, with Mr. Meyer against.
Mr. O'Neill for, with Mr. Thompson of Louisiana against.

Mr. Arends for, with Mr. O'Konski against.
Mr. Wainwright for, with Mr. Cederberg against.

Mr. Denton for, with Mr. Bow against.
Mr. Bentley for, with Mr. Hoffman of Michigan against.

Mr. Shelley for, with Mr. Morris of Oklahoma against.

Until further notice:

Mr. Durham with Mr. Bass of New Hampshire.

Mr. Holifield with Mr. Taylor.
Mr. Morrison with Mr. Keith.
Mr. Burdick with Mr. Merrow.
Mr. Kowalski with Mr. Wilson.
Mr. Kluczynski with Mr. Withrow.
Mr. Loser with Mr. Randall.

Mr. HOFFMAN of Michigan. Mr. Speaker, I have a live pair with the gentleman from Michigan [Mr. BENTLEY], who had been present would have voted "yea." I therefore withdraw my vote of "nay" and vote "present."

Mr. CEDERBERG. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. WAINWRIGHT], who had been present would have voted "yea." I therefore withdraw my vote of "nay" and vote "present."

Mr. O'KONSKI. Mr. Speaker, I have a live pair with the gentleman from Illinois [Mr. ARENDS], who had been present would have voted "yea." I therefore withdraw my vote of "nay" and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that all Members who spoke on the bill just passed may have permission to revise and extend

their remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Gown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 9883. An act to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 5888) entitled "An act to authorize the Secretary of the Navy to transfer to the Massachusetts Port Authority, an instrumentality of the Commonwealth of Massachusetts, certain lands and improvements thereon comprising a portion of the so-called E Street Annex, South Boston Annex, Boston Naval Shipyard, in South Boston, Massachusetts, in exchange for certain other lands," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RUSSELL, Mr. STENNIS, Mr. JACKSON, Mr. SALTONSTALL, and Mr. CASE of South Dakota to be the conferees on the part of the Senate.

AMENDING AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. THORNBERRY, from the Committee on Rules, reported the following privileged resolution (H. Res. 564, Rept. No. 1918), which was referred to the House Calendar and ordered printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12261) to amend the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, with respect to market adjustment and price support programs for wheat and feed grains, to provide a high-protein food distribution program, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

HEARINGS ON BILL TO HELP SMALL BUSINESS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter, and imme-

diately after my remarks to include a statement by the gentleman from California [Mr. McFALL] before the committee.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, yesterday, Thursday, June 16, 1960, on the 24th anniversary of the approval of the Robinson-Patman Act by the Congress, a subcommittee of the House Interstate and Foreign Commerce Committee held hearings on bills to help small business by preventing certain discriminatory prices and sales at prices below cost. These bills have been introduced by myself and more than 25 other Members of the House.

During the course of the hearings, I and other sponsors of this proposed legislation testified and presented information about the need for this proposed legislation. I should like at this time to revise and extend my remarks by including a copy of a part of the statement I presented during the course of my testimony.

(The statement is as follows:)

STATEMENT BY HON. WRIGHT PATMAN BEFORE THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, HOUSE OF REPRESENTATIVES, WASHINGTON, D.C., JUNE 16, 1960, ON H.R. 10235, A BILL TO HELP SMALL BUSINESS BY PREVENTING BELOW-COST SALES

H.R. 10235 was introduced February 8, 1960, to provide an amendment to the Federal Trade Commission Act, and, therefore, was referred to the Committee on Interstate and Foreign Commerce for consideration.

OBJECTIVES OF THE BILL

The objectives of the bill are to prohibit by Federal law certain discriminations in price and sales at unreasonably low prices, including those at levels below cost.

These objectives would be accomplished by adding a section to the FTC Act and including in that section the provisions now appearing in section 3 of the Robinson-Patman Act (Public, No. 692, 74th Cong.; U.S.C., title 15, sec. 13a). Under the terms of the bill, some additional language is added to those provisions. It should be noted that the provisions of section 3 of the Robinson-Patman Act constitute a part of the Federal criminal laws. These provisions, when carried over and added to the FTC Act by amendment, do not carry with them the criminal penalties. Instead, they simply would provide for injunctive relief and the right of those injured to sue for treble damages in civil proceedings. Of course, the Federal Trade Commission would be empowered to stop the practices made unlawful by the provisions of this bill.

MANY HOUSE MEMBERS HAVE EXPRESSED INTEREST IN THE BILL

Following the introduction of H.R. 10235, and prior to June 10, 1960, 22 House Members introduced identical bills. Also, a companion bill has been introduced in the Senate. This widespread interest in these legislative proposals stems from the fact that large firms doing a nationwide business have been shown to engage in the practice of selling goods, wares and merchandise at prices below cost in one area and then in another area for short periods of time with the effect of eliminating competition. Information about the use of such practices has been made available to Members of the House. Representatives of small business firms are telling their representatives in Congress about these matters and appealing to them for helpful legislation on the subject.

REASON FOR THE BILL: PRACTICE OF SALES BELOW COST

The practice of making sales at prices below cost was dramatically brought to light during the course of the hearings before the Special Subcommittee on Small Business Problems in the Dairy Industry, under the chairmanship of Hon. TOM STEED, and in hearings before Subcommittee No. 5 on Small Business Problems in the Food Industry, under the chairmanship of Hon. JAMES ROOSEVELT. It will be recalled that during these hearings one witness after another, as officials of big business firms, admitted using the great resources of their companies in making sales at prices below cost to the detriment of small business.

The practice continues unabated with devastating effects. Subsequent to the conclusion of the hearings before the House Small Business Committee's Special Committee on Dairy Problems, we received information that the large firms are continuing to make sales at prices below cost to eliminate small business firms. On May 14, 1960, a representative of small business complained to Members of the House that the National Dairy Products Corp. (Sealtest) was selling dairy products in Kentucky at unreasonably low prices, and, in that connection, stated:

"The unreasonably low price at which these products are being sold would seem to be for the sole purpose of destroying competition, especially independent dairies such as ourselves. This can be very easily done by a large national concern such as Sealtest who operate in many different geographical localities and are able to finance and subsidize a price war against small dairies who sell in competition. * * *

"By using these unfair competitive practices they would in effect force us out of business within 30 to 60 days. Therefore, the urgency for action is of the utmost importance. We ask that you help us eliminate these unfair practices as quickly as possible by contacting Senator LYNDON JOHNSON of Texas and asking him to supply this information to Congressman WRIGHT PATMAN."

These charges by representatives of small firms are similar to complaints received from representatives of other small firms doing business in other parts of the country. In some of the areas where the nationwide distributors have gained monopoly control of prices, the public is paying higher prices than those which prevailed before competition was eliminated. Therefore, it should be emphasized that the proposals we are making for legislation have as their principal objective the maintenance of competition. Only through preservation of competition can the public be assured of the low prices provided through competition. Prices representing sales made temporarily at levels below cost provide the public only with temporary advantages. These advantages are paid for by other members of the public at the same time or by the same members of the public at other times. It is for that and the other reasons we are discussing that we favor legislation which would prohibit sales at prices below cost. We are against that monopolistic practice, because it leads to monopoly controlled prices at high levels. In other words, by fighting for legislation which would prohibit sales at prices below cost, we are fighting against high prices as the inevitable result of monopoly control.

Only a few months ago, the Supreme Court unanimously upheld as constitutional a State law prohibiting sales below cost and noted that one of the chief aims of such law is to put an end to "loss leader" selling—*Safeway Stores, Inc. v. Oklahoma Retail Grocers Association, Inc., et al.* (360 U.S. 334). In doing that the Court stated that—

"The selling of selected goods at a loss in order to lure customers into the store is deemed not only a destructive means of

competition; it also plays on the gullibility of customers by leading them to expect what generally is not true, that a store which offers such an amazing bargain is full of other such bargains."

This thought about the use of loss leaders in preying on the gullibility of customers by leading them to expect what is generally not true, that is, that a store that offers such an amazing bargain is full of other such bargains, is not one simply based on theory. Not only logic, but also the history of human experience fully supports the thought. If that should not be taken to abundantly support the thought expressed by the Supreme Court to the effect that loss leader selling is an advertising gimmick, then we only need to turn to the words of one who has engaged in loss leader selling for further evidence. Not long ago the Committee on the Judiciary in the course of hearings regarding monopoly power heard a witness who had engaged in loss leader selling. In the course of the testimony and with reference to that practice, he stated:

"What cheaper method of advertising is there if I advertise a commodity that cost me a dime for 5 cents and that customer comes into my store. And my only hope is * * * he will buy something else from me."

The advertising characteristics and any misleading and deceptive effects incident thereto are not necessarily the worst aspects of making sales at prices below cost. Its deadly effect upon small and independent competitors of the loss-leader selling is one of its most dangerous characteristics.

SMALL BUSINESS DENIED RIGHT TO PROCEED UNDER EXISTING LAW

The Supreme Court of the United States on January 20, 1958, by a 5-to-4 decision held that section 3 of the Robinson-Patman Act is not a part of the Federal antitrust laws, and, therefore, is not available for proceedings by persons injured as a result of things forbidden by the antitrust laws. The Court so held in the cases of *Nashville Milk Company v. Carnation Company* and *Safeway Stores, Inc. v. Vance* (355 U.S. 373 and 389). The ruling by the Court in these cases means that under existing law small and independent business concerns are not permitted to use section 3 of the Robinson-Patman Act in proceedings against unlawful selling at unreasonable low prices—even at prices below cost—and even though those practices result in the creation of monopoly.

Section 3 of the Robinson-Patman Act, as approved June 19, 1936, was authored by Senators BORAH and VAN NUYS. It became an amendment to the bills introduced by me and Senator ROBINSON. I did not discuss with Senators BORAH and VAN NUYS whether it was their intention to have their amendment apply as an amendment to the Federal antitrust laws. However, I have made it clear on more than one occasion that the definition of antitrust laws as set forth in section 1 of the Clayton Act, should be amended so that there would be no question about section 3 of the Robinson-Patman Act being embraced as a part of the antitrust laws. Indeed, on January 23, 1958, 3 days following the 5-to-4 decision by the Supreme Court in the cases to which I have referred, I introduced H.R. 10243 (85th Cong.) to accomplish that objective. On the same day, Senator SPARKMAN, chairman, Select Committee on Small Business, U.S. Senate, introduced a companion bill. These bills were referred to the Committees on the Judiciary, as are all proposed amendments to the antitrust laws. However, no action was taken. Therefore, at the opening of the 86th Congress, we reintroduced bills for the same purpose. In the House, my bill is H.R. 212. The Judiciary Committee has not considered it.

In the meantime, practices of selling at prices below cost, as I have explained, are continuing unabated. They appear to be in

representative of Time, Inc., to which I consented. The next day the three of us got together to discuss my subsidy limitation bill. When I would not agree with them or yield to their pressure, I knew what to expect.

You do not have to offer a subsidy-limitation bill to offend these irresponsible publishers. You can get on their blacklist by actively supporting progressive and humanitarian legislation, particularly when it is in conflict with their philosophy and selfish interest.

Not a Member of Congress is immune from unscrupulous smear attacks in connection with his stationery account. If there be such a thing as a perfect man, even he could be held up to ridicule and be smeared in an effort to discredit him and destroy his good reputation.

There is more at stake than the honor and reputation of House Members. Monopoly power over the vital sources of news and information used irresponsibly and unscrupulously adds to growing immorality, causes disrespect for government, confusion and distrust.

Rigged quiz shows and rigged prize fights have shocked the American people. Immoral as they are, they are no more immoral and certainly less dangerous to our democracy than the rigging of news and information by irresponsible publishers who behind a smoke screen are now campaigning to elect the next Congress—a Congress that will bend to their might and will.

If the publishers of Life have an ulterior motive for smearing one Member of Congress, how can they be trusted on anything they publish?

I have no desire to defend wrongdoing by any Member. But there should be some assurance for honorable and respected Members of the House that information obtained on stationery accounts or on travel expenditures will not be distorted, peddled and sold for smear purposes in the congressional elections this year.

This is a lucrative racket which offers big monetary rewards for unscrupulous individuals. It also provides an opportunity to special interest groups, of which Life publishers are a part, to distract public attention from real and vital issues. For this reason, I believe the House should act on my proposal.

AMERICAN DETRACTORS

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. BRAY] is recognized for 5 minutes.

Mr. BRAY. Mr. Speaker, all of us were distressed to receive the word yesterday that the Japanese Government had requested an indefinite postponement of President Eisenhower's visit. It is also distressing that comments have been made by some of our country's less responsible critics. Last night, I am told, one of these critics on a television news program blamed the riots in Japan on the fancied military weakness of the United States.

Mr. Speaker, many of us have been saddened by those Americans who take delight in belittling their own country

as to military, scientific and economic strength. They seem to take sadistic pleasure in attempting to prove that America is a second-class country. It is also sad that some of these would-be detractors of America's greatness hold positions of responsibility in our country. However, I am certain that those who would prove America is second-rate are far in the minority in our country.

The very fact that Russia would choose this time to beat the anti-American drums throughout the world demonstrates clearly that America is not kowtowing to communism; it is apparent that America is increasing her military strength over that of the Soviet Union. Russia always stirs up trouble and belittles her adversary when her imperialistic aggression is thwarted. The riots in Japan are clearly Communist-inspired. They fear the ratification of the Japanese-American treaty. America, for the last seven years, has been standing firm against Soviet aggression. We are still in Berlin regardless of continued Russian threats. Developments in the last 4 months prove conclusively that America is far ahead of Russia in real military strength. Our long-distance missile program, which was cancelled in 1947, shows phenomenal achievement to the world today. We are definitely ahead of Russia in the quality of our military missiles. The last four types of satellites that we have launched show to the scientific world that America is far ahead of Russia in this field and is not second-class, but the real McCoy. But greater than all the other manifestations of strength is the fact that today Russia, and the rest of the world, know that American planes fly over Russia with immunity, something that no country can do to us.

The realization of the world that those same planes that fly over Russia at will could carry a nuclear bomb, places Russia in a second-class position to America. I am not going to discuss American military strength further, for that matter is going to be discussed on the floor of the House in some detail on Monday.

I do, however, want to remind this body that the greatest contribution to the Soviet propaganda campaign of nuclear and military blackmail that has been made unwittingly has come from a handful of noisy detractors of American strength, detractors who have adopted the role of permanent critics of our military policies. The "American second-class powerists," the "missile-gap yappers," and the "crawl on our bellies to Moscovites."

A greater share of the blame for these riots in Japan and indecision displayed by some of the uncommitted nations must be borne by the detractors of America. Yet we are now subjected to the abuse of these detractors of America. We are treated to the sickeningly ludicrous sound of a chorus of condemnation, bleated out by a choir of drunken drivers, solemnly cursing the evils of drink, as they survey the very wreckage they themselves wrought as they sat bleary-eyed behind the wheel of the vehicle marked "political expediency."

Mr. Speaker, the irresponsible criticism which I have mentioned, I am happy to say, is not joined in by any great percentage of Americans. I am happy to say that the great majority of Americans of both political parties are not attempting to prove that America is second class. On the contrary, the overwhelming majority of the people in America know that America is still the real McCoy.

On Monday, June 20, the members of a Republican task force group which has devoted over 4 months to an intensive study of American strategy and strength will present to this body a report which amply covers that and many other subjects. I have studied this report and I can assure you, Mr. Speaker, that it represents an articulation of the administration's strategy in the cold war, based on the solid foundation of provable facts. It provides a basis for continuing the policies which have made the United States the most powerful nation on the face of the earth, and which will perpetuate and broaden that power until we achieve ultimate victory in the struggle which we call the cold war.

I urge all of my colleagues from both sides of the aisle to be present in this Chamber on Monday, when the report is to be made to Congress. And I challenge those who criticize the strategy outlined in this report to produce a detailed and workable alternative. Until they do, Mr. Speaker, their criticism can only be adjudged to be invalid, and damaging to the Nation which they claim to serve.

WHAT'S HAPPENING TO THE STUDENTS?

(Mr. JACKSON (at the request of Mr. CURTIN) asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. JACKSON. Mr. Speaker, under leave to extend my remarks I include an article from Freedom's Facts Against Communism, a publication of the All-American Conference To Combat Communism, June 1960 issue.

The article follows:

WHAT'S HAPPENING TO THE STUDENTS?

Within the past 8 weeks small bands of students have caused riots and have shaken governments in countries all over the world.

They toppled President Syngman Rhee from power in South Korea, brought a change of government in Turkey, caused a \$250,000 riot in San Francisco, and created serious difficulties for President Eisenhower's visit to Japan.

In all cases, a relatively small number of students have been in the forefront of the riots and demonstrations. But behind them have been numbers of adults inflaming their passions and guiding the direction of their violent excesses.

Not much detail is known here about the student activities in South Korea or in Turkey, but some is known of what happened in San Francisco, and this throws light upon what is happening to students—at least to the small minority of students who get involved in headline grabbing riots.

To keep student activities in perspective, it is necessary to recognize that young peo-

ple have certain characteristics which make them ideal material for spearheading mass demonstrations and even violent outbreaks. Young people like to be part of a crusade, a movement larger than themselves, with which they can identify themselves, and through which they can gain some degree of self-expression. Young people think more of the need to express themselves and dwell less upon the consequences of their actions than do adults.

HOW TO START A RIOT

If you want to start a riot, one way is to inflame the minds of a few students, throw in a couple of agitators to keep things going, and let nature take its course. Outbreaks of more or less violence have broken out on school campuses from time to time. We have all been through them and their intent was usually innocent enough.

Communists, who are master manipulators of people, know these characteristics of youth, and have consistently sought to exploit them to further Communist schemes. On February 2, Herbert Philbrick, a former FBI undercover agent in the Communist Party, testified to the House Un-American Activities Committee that "by propagandizing among young people, by telling them and by implying to them that this committee and other Government committees are a threat to their free speech, they know that immediately the young person is going to respond.

"Of course, not all young people are duped by such appeal," said Philbrick, "but always they are able to confuse a certain small number of young people and, therefore, building upon these appeals, they will exploit them still further."

All this is background for what happened in San Francisco on May 12, 13, and 14. On these dates the House Un-American Activities Committee met in San Francisco to hold hearings on current operations of the Communist Party in northern California. A small number of persons were subpoenaed to appear before the committee.

WAVE OF PROTEST

Prior to the arrival of the committee, a wave of protest sparked by such groups as the American Civil Liberties Union, the Lawyers Guild, and west coast longshoremen was rolled up. Those subpoenaed formed themselves into the bay area defense committee. Another group, calling itself the San Francisco Citizens' Committee To Preserve American Freedoms, got into the fray.

According to National Guardian (May 23), faculty members at the University of California at Berkeley and at San Francisco State College signed petitions against the hearings. Faculty members at San Jose State College and at Stanford University published protests.

The Daily Californian, a student paper, reportedly urged students to picket the committee and to attend the hearings "to observe the tenor of what we feel to be in the truest sense 'un-American activities.'"

Then, the real action began. As the hearing opened on May 12, a rally of some 1,000 people was held in Union Square called by the Berkeley Student Committee for Civil Liberties. There students were agitated by adult speakers, and thence marched to the city hall where student picketing was already going on.

ENTER THE AGITATORS

About 200 people, mostly students, crowded outside the hearing chamber. They were denied entrance to the hearing. Later they began chanting "Open the Doors." According to National Guardian, Archie Brown, a longshoreman, demanded that the group be allowed into the hearing room. He and a few others were removed from the premises.

Tension grew the following day when 200 to 250 demonstrators tried to push into the

hearing room shouting, "Let us in." Fire hoses were turned on them and they retreated down the stairs where they sat and sang, "We will not be moved," until they were ejected from city hall.

On May 14 San Francisco Police Chief Thomas Cahill reported that the riot, as he called it, was caused by professional agitators. Police Inspector Michael McGuire identified two agitators as Archie Brown, a longshoreman, and Merrill Brodsky, an unemployed tile setter. On May 17 San Francisco Mayor George Christopher estimated that the riot cost taxpayers an estimated \$250,000.

Significantly, very few students were involved in the violent stage of the demonstrations, and these evidently were egged on by professional agitators. The real intent of the demonstration was disclosed by National Guardian as an attempt to "drive a spike in the committee's coffin" by curtailing the investigations of the House Committee on Un-American Activities, or even to close it down altogether.

ONLY THE REDS CAN BENEFIT

Without assigning motives either to anyone involved in the demonstrations or to those reporting the riots in a favorable light, it can be deduced that the only people directly benefiting from any curtailment of the work of the House Committee on Un-American Activities would be the Communists who are being investigated.

A question this student riot in San Francisco might well raise is how well are American students equipped to comprehend appeals to join in actions which will benefit the plans of the Communist Party. Herbert Philbrick testified that "the Communists know that our young people lack training and lack education concerning communism.

"* * * Hence, they know that young people are vulnerable to their attacks."

"In other words, the Communists know that, if they can weaken or if they can destroy the loyalty of our young people in our country and all that it stands for, they will be a long way toward eventual victory over the United States and the free world."

Student outbreaks in the United States and around the world pose a challenge to educators and to parents who want to preserve and strengthen a world in which men and women can enjoy individual political, economic, and religious freedom.

MUTUAL SECURITY APPROPRIATIONS BILL FOR 1961

(Mr. BARRY (at the request of Mr. CURTIN) asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BARRY. Mr. Speaker, we have before us a seriously curtailed Mutual Security Appropriations bill for 1961. Once again we are witnessing a sort of numbers game, a blind playing with figures which is indeed shocking. At this moment when the Soviet Union has once again stepped up a hard overt anti-Western campaign across the world from Cuba to Japan where they have been able to effectively prevent the U.S. President from paying a visit, even against the wishes of the Japanese Government, once again we find people suggesting that our enormously important mutual security program should be reduced.

I want to commend those members of the Appropriations Committee who realistically faced up to our international needs and signed the minority report on this bill. This minority report sets forth quite clearly the serious consequences of

the drastic cuts in the military assistance and defense support programs. When the President's advisors, the men most intimately connected with and knowledgeable about these programs, decided that \$2 billion was needed for military assistance, a cut of \$400 million is a very serious matter. In this hour of the cold war, it is difficult to comprehend just what penny wisdom and pound foolishness can prompt such reasoning.

The same thing can be said of reducing the Development Loan Fund appropriation to \$550 million. With complete disregard of reality, I am amazed to read in the committee report that some \$298 million of already committed, but still unspent DLF funds are available for 1961 expenditure. Can the Members who assess the value of our foreign-aid program be unaware of the administrative procedures of committing funds prior to their final obligation? I find difficulty in believing so, but what other explanation can there be for such reasoning as one reads in the committee report on H.R. 12619? Sound and careful management necessitate long leadtimes making absolutely necessary sizable already committed but not yet finally obligated funds. These facts are apparently overlooked or ignored by those who may unwittingly support a watered-down mutual security bill that carries with it a substantial reduction in development loan funds.

The Development Loan Fund is one of the soundest of our programs. I made a study of it around the Mediterranean last year. I came back impressed with the encouraging fact that gradually our aid program is more and more taking the form of loans. Each year less is required to be just given away with no expectation of repayment.

In Israel, a country of 2 million, a strong point in the turbulent Middle East, our first outright gifts of funds are being supplanted by loans, all repayments of which have to date been made promptly when due. Furthermore, the Israelis are now sending technical aid to other underdeveloped countries. Our moneys have helped in research which may lead to important findings in the prevention of cancer among other things.

In Spain, our loans to establish irrigation projects are increasing agricultural production by 10 percent.

In Turkey, with 26 million people and an army of 500,000 ready to die if need be to prevent the spread of Communist rule to the Mediterranean, a proposed \$150 million steel mill has been financed in part by the Development Loan Fund. A new \$80 million railroad binding Turkey to Iran, another ally, will do much to increase their balance of payments of foreign exchange through steel exports and to develop the lumber industry of the hinterland and increase trade.

In barren Greece, I saw the proposed fertilizer plant to make them an exporter of foodstuffs and the proposed hydroelectric powerplant to develop the bauxite deposits into an aluminum industry. We have given economic hope to these valiant fighters for freedom in their struggle to survive in the competitive free world.

Our total nonmilitary foreign aid program is less than three-fourths of 1 percent of our total gross national product. The aid is only a fraction of what it would cost to buy the kind of security we were getting. This aid program represents the cheapest form of freedom insurance our tax dollar could buy.

We cannot abdicate our leadership of the world to the U.S.S.R. There is no question but that as new nations are born in Africa, as revolutionary new regimes seize power in Latin America, as the struggle goes on to balance a vast population increase with increased economic productivity in Asia, the United States is witnessing an intensification of the struggle with Communist dictatorship around the world. Curtailing of foreign aid programs at this time will only aid the Soviet Union. As colonial powers withdraw, Russia is advancing her so-called Preclusive Development Program moving in rapidly to fill the void and take over these weak new nations who must have help to survive. "If we do not, the Russians will," is a phrase scoffed at by some, repeated so often that it has almost become a cliché. I say it should be rephrased "Where we have not the Russians have." It is not idle speculation. It has and is happening. Witness Egypt. We wouldn't build the Aswan high dam and so Nasser has turned to Russia. Today, at this moment, the Russians are building the greatest project for Egypt since the Pyramids.

When all the colonial areas in Africa gain their independence, we will have at least 25 new nations, all with equal votes in the U.N. Their combined vote will outweigh the United States and its present allies. Private investment abroad is inadequate to the capital needs of these newly emerging nations. The United States would be risking her international leadership by reducing her unilateral foreign aid at a time when Russia is expanding hers in these areas.

Mr. Speaker, unless the United States is to abdicate leadership in many areas of the world, we must support the carefully thought out requests of the President. Politically inspired foreign aid cuts are not economy, they are a dangerous withdrawal in a battle being fought across the world for the survival of our way of life.

TECHNICAL AMENDMENTS TO THE INTERNAL REVENUE CODE

(Mr. BYRNES of Wisconsin (at the request of Mr. CURTIN) asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BYRNES of Wisconsin. Mr. Speaker, I have today introduced legislation making certain technical amendments to the Internal Revenue Code. In explanation of the bill and the amendments I include as part of my remarks a letter from Jay W. Glasmann, assistant to the Secretary of the Treasury.

The letter follows:

OFFICE OF THE SECRETARY OF
THE TREASURY,
Washington, June 16, 1960.

HON. JOHN W. BYRNES,
House of Representatives,
Old House Office Building,
Washington, D.C.

DEAR MR. BYRNES: In a recent conversation you inquired as to the status of the Technical Amendments Act of 1960, H.R. 9625 and H.R. 9626. As you know, these two bills which were introduced on January 14, 1960, would amend certain of the income and administrative provisions of the Internal Revenue Code of 1954.

This legislation was introduced at the request of the Treasury Department in order that it might be made available to the general public for their study and comment. Since that time we have received numerous comments and suggestions which have been most helpful to us in evaluating the merits of the original proposals.

In brief, certain of the proposals received widespread approval as being either necessary or desirable additions to our tax laws. Other proposals proved more controversial in that there was some difference of opinion as to their merits.

It was your hope that the provisions which had found general acceptance might be considered this year by the Congress. Moreover, you indicated your desire to sponsor a bill containing these provisions. Accordingly, I am submitting a list of seven provisions which have found general acceptance. In my opinion, these proposals will correct certain income tax inequities and hardships as well as remove certain impediments in the orderly and efficient operation and administration of the internal revenue system.

A brief discussion of each of these provisions follows:

1. Definition of a dependent: This provision would correct an unintended defect in the Internal Revenue Code of 1954 by restoring dependency exemptions for nationals of American Samoa and Swains Island (primarily children of U.S. naval personnel, numbering around 100).

2. Obligation of the United States owned by a foreign central bank of issue: This amendment provides, in the case of foreign central banks of issue (quasi-governmental institutions), for tax exemption of interest on U.S. bonds, as with interest on bank deposits and banker's acceptances. Such interest is now exempt if the bank is an integral part of the foreign government. The exemption will not apply to interest on bonds used in connection with any commercial functions.

3. Election of certain partnerships and proprietors as to taxable status: This provision (1) permits a partnership which has elected to be taxed as a corporation to apply the tax-free reorganization provisions if it actually becomes a corporation; and (2) requires that the election to be taxed as a corporation be made in the last month of the preceding year or the first month of the current year for which it is to be so taxed.

4. Declaration of estimated income tax by individuals: This provision is intended to eliminate the filing of 1.7 million non-taxable declarations of estimated tax by (1) increasing the "other income" limit from \$100 to \$200; and (2) providing that no declaration need be filed where the estimated tax is less than \$40. Also, to simplify filing requirements, the gross income test of \$400 plus \$600 times the number of exemptions is eliminated.

5. Place for filing tax returns: This provision would require individuals living abroad and other taxpayers (including corporations) claiming the benefits of foreign income provisions to file their returns at the

office designated by the Secretary rather than in the district where they claim legal residence or place of business.

6. Disclosure of information as to persons filing income tax returns: This provision eliminates the requirement that district directors make available to the public lists of all persons filing income tax returns, and substitutes the requirement that the district directors merely state whether or not a specific person has filed a return.

7. Criminal penalty for claiming a false or fraudulent deduction for exemption: This amendment provides that claiming a false or fraudulent deduction for a dependent shall be treated as a misdemeanor rather than a felony. It also repeals section 7207 which the Justice Department has found to be an impediment rather than an aid in criminal prosecutions.

Sincerely yours,

JAY W. GLASMANN,
Assistant to the Secretary.

WHOSE SURPLUS IS THIS? NOT THE TAXPAYERS

(Mr. RIEHLMAN (at the request of Mr. CURTIN) asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. RIEHLMAN. Mr. Speaker, the Congress by this time should be very much aware of the growing public dislike for the obsolete and costly farm programs under which we have operated for more than a generation.

Farmers are frequently blamed for the wasteful programs now applied to a minority group in American agriculture. But the fact remains that four-fifths of agriculture is free of Government controls and the programs that apply to the remaining one-fifth were enacted right here in the Congress years ago.

Taxpayers, including farmers, are getting tired of price fixing which has resulted in depressed prices for some commodities and production controls that never have worked.

This view is reflected by a recent editorial in the Syracuse (N.Y.) Herald-Journal which I now submit for the RECORD.

WHOSE SURPLUS IS THIS? NOT THE TAXPAYERS

There's gravy in wheat but not the kind you spread over pork chops.

Last year, 96 factory-style farms collected more than \$50,000 each in cash loans on their wheat.

A corporation in Montana was paid \$123,000. A firm in Idaho collected \$145,000. Another in Oregon received \$146,000.

Secretary of Agriculture Benson has recently taken steps to put the 1961 program into operation.

He is required, by law, to do this by May 15.

This means, in turn, a guarantee that the 1959 abuses will be repeated.

No wonder such wide public distrust of farm support programs has developed.

The administration has appealed to Congress for a new approach because present programs, designed to control surpluses, don't.

So far the answer has been in the negative. Thus, the application of present marketing quotas and establishment of support prices under the old laws.

Congressional inaction is laid to election year fear of the farm bloc.

What isn't considered is election year reaction by the taxpaying bloc.

POLITICAL EXPRESSION BY VIOLENCE

(Mr. HIESTAND (at the request of Mr. CURTIN) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HIESTAND. Mr. Speaker, I am aghast that some of our most respected editorial writers in the Washington press this morning are sounding notes reminiscent of the wailing first practice of a schoolboy band. They cry "defeat." Why?

Seizing upon Japan's tragic crisis, there emanates from our local press a most discordant dirge—dolefully bemoaning our defeat—implying that we have been drummed-out from our seat of prestige and power in the councils of the world.

Come, come gentlemen—have ye so little faith and such small courage to peer more carefully through the smoke and mist being blown up by our enemies? Are not the trumpets in Tokyo the same trumpets which have sounded at Montevideo, Ankara, and Havana? The baton twirlers prance to the same tune. The paid students obviously chant the same fanatic anthem. But I am surprised that such experienced critics are now listening with only one ear. Under such circumstances, it is most difficult to determine the direction from which the sound comes—and the direction it is going.

The pitch pipe was sounded at the summit. The prelude was conducted from Peiping. We are hearing only the second stanza—its crescendo is aimed at drowning out the voice of democracy in Japan. The President's visit is but a part of our side of the picture. Japan is an important part of our peace perimeter. This is the significant issue today. Decisions affecting the world for a decade or more are being made in Japan—deciding Japan's position in the world of free nations. These decisions should be made in Japan's own way.

Political expression by violence has been the practice in the Orient since the days of Genghis Kahn. Why should we expect radical changes overnight? The course of these events have shown that it would be vastly imprudent for us to inject ourselves into this aspect of their affairs—this was not the purpose of the President's visit. Thus, while Kishi's decision to cancel the President's visit to Japan might be called a personal disappointment—it is far from being a defeat.

The Kremlin and Peiping just as vigorously are seeking to affect our own political scene. But, the world has long respected the U.S. position abhorring blackmail and violence as political tools.

Are you now suggesting, honored gentlemen of Washington's press, that we renounce this respected position in the interest of partisanship in domestic politics? Shall we fight insults with invectives? Is not "discretion the better part of valor"? It has been said with great justification that "fools rush in where angels fear to tread."

RESOLUTIONS OF CALUMET COUNTY BOARD OF SUPERVISORS

(Mr. VAN PELT (at the request of Mr. CURTIN) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. VAN PELT. Mr. Speaker, I extend my remarks at this point in the body of the RECORD and include two resolutions adopted by the Calumet County Board of Supervisors.

I commend these county officers for the sound position they adopted in each resolution.

RESOLUTION 3

Resolution petitioning the Congress of the United States to give favorable consideration to legislation providing benefits for veterans of World War I and for other purposes

Whereas many hundreds of thousands of our Nation's finest citizens served the cause of democracy during the period of World War I; and

Whereas a large number of these veterans have now reached the age and circumstances in which they are no longer self-supporting, as well as suffering illnesses and infirmities aggravated by this honorable service to their country; and

Whereas through no fault of their own, they have largely become a class of forgotten men, many of whom are close to the grave: Now, therefore, be it

Resolved by the Board of Supervisors of Calumet County, Wis., That this body recognizes the predicament of these veterans of World War I, and petitions the Congress of the United States to give favorable consideration to legislation providing benefits to the aged, ill, and disabled veterans of this Great War in the form of pensions or any other means which will provide relief so vitally needed; be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, to the Director of the Veterans' Administration, to the Director of the U.S. Bureau of the Budget, to the chairman of the House Committee on Veterans' Affairs, and to each member of the Wisconsin delegation in the Congress.

Dated this 14th day of June 1960.

Passed and adopted by the Calumet County Board of Supervisors on June 14, 1960.

ROLAND E. MILLER,
County Clerk.

Resolution pertaining to Federal aid to aged persons

Whereas the Congress of the U.S. Government is now considering the adoption of a program subsidizing medical care for the aged; and

Whereas such various plans as now formulated do not carry proper economical methods of financing and will only lead to additional tax burden to all taxpayers; and

Whereas Calumet County has always provided sufficient medical care to its aged persons and feels that it is the responsibility of each community to provide such care to its aged people; and

Whereas any Federal program providing such care to aged people would entail much greater administrative costs and only lead to the building of another Federal bureaucracy at great expense to the taxpayers: Now, therefore, be it

Resolved by the Calumet County Board of Supervisors in meeting duly assembled this 14th day of June, A.D., 1960, That it goes on record against any form of Federal subsidy for medical care for aged people and openly announces that it is the intent of Calumet

County to provide such medical needs to its aged people; be it further

Resolved, That copies of this resolution be sent to the Wisconsin Senators, ALEXANDER WILEY and WILLIAM PROXMIRE, and to the Congressman of the Sixth District, WILLIAM K. VAN PELT.

Passed and adopted by the Calumet County Board of Supervisors on June 14, 1960.

ROLAND E. MILLER,
County Clerk, Calumet County.

EIGHTEEN-DAY BOYCOTT ON JAPANESE IMPORTS

(Mr. HOSMER (at the request of Mr. CURTIN) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HOSMER. Mr. Speaker, the hostile, anti-American attitude expressed by Communist-agitated Japanese mobs is an affront not only to President Eisenhower, but to all Americans.

Despite the atrocities in the Pacific during World War II, despite the killed and wounded-in-action lists issued daily from the infamy at Pearl Harbor to the war's very end, in victory we extended the hand of brotherhood. Americans forgave and contributed much of our wealth and effort to rebuilding Japan.

The American people and the U.S. Government expressed to Japan and its people a compassion unparalleled in history. The reward of hate and violence we have received during the past few days is a bitter thing.

Similar affronts have occurred from elsewhere, such as Cuba under Castro, under circumstances where individual Americans were powerless to express effectively their disapproval. But today's situation is one in which individual Americans have a unique opportunity personally to protest in a compelling manner.

That is by temporarily refusing to purchase any Japanese imports.

I emphasize the word "temporarily" because as a people and as a nation we are not anti-Japanese, nor have we cause to be. We recognize it is a manipulated minority in Japan responsible for the disorder. We recognize the vast majority of Japanese are friendly to the United States and regret the course of events as much as we do. Yet, that majority has been unable to compel the minority of extremists to cease disturbing the relationships between our nations and affronting our leaders, our Government and our people.

We Americans, on the other hand, have it within our power to express our rightful indignation. We have an opportunity to advise all nations that as a people we do not receive insults and indignities without affront. In so doing we have the opportunity to dramatize our strong basic moral fiber and our determination and ability to resist lawlessness and disorder.

For myself, I have determined that from today until midnight on the 4th of July I shall make no purchase of any article made in Japan or fabricated from an item imported from Japan.

I hope my countrymen see fit to join me in this 18-day boycott.

86TH CONGRESS
2D SESSION

H. R. 12619

IN THE SENATE OF THE UNITED STATES

JUNE 18, 1960

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for Mutual Security and related agencies
for the fiscal year ending June 30, 1961, and for other
purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1961, namely:

1 TITLE I—MUTUAL SECURITY

2 FUNDS APPROPRIATED TO THE PRESIDENT

3 For expenses necessary to enable the President to carry
4 out the provisions of the Mutual Security Act of 1954, as
5 amended, to remain available until June 30, 1961, unless
6 otherwise specified herein, as follows:

7 MILITARY ASSISTANCE

8 For expenses as authorized by section 103 (a) of the
9 Mutual Security Act of 1954, as amended, necessary to
10 enable the President to carry out the purposes of chapter I
11 of such Act (including administrative expenses as authorized
12 by section 103 (b) of such Act, which shall not exceed
13 \$23,000,000 for the current fiscal year, and purchase for re-
14 placement only of passenger motor vehicles for use outside
15 the United States), \$1,800,000,000.

16 ECONOMIC ASSISTANCE

17 Defense support: For assistance authorized by section
18 131 (b), \$600,000,000.

19 Technical cooperation, general authorization: For assist-
20 ance authorized by section 304, \$150,000,000: *Provided,*
21 That no part of this appropriation shall be used to initiate
22 any project or activity which has not been justified to the
23 House of Representatives and the Senate.

24 United Nations expanded program of technical assistance

1 and related fund: For contributions authorized by section
2 306 (a), \$33,000,000.

3 Technical cooperation programs of the Organization of
4 American States: For contributions authorized by section
5 306 (b), \$1,500,000.

6 Special assistance, general authorization: For assistance
7 authorized by section 400 (a), \$206,000,000: *Provided*,
8 That no part of this appropriation shall be transferred by the
9 International Cooperation Administration or the Department
10 of State to the Benjamin Franklin Foundation, until a new
11 agreement is entered into between the United States and the
12 Benjamin Franklin Foundation which contains adequate
13 financial and administrative controls for the protection of
14 the Government of the United States.

15 Special assistance, special authorization: For assistance
16 authorized by section 400 (c) for hospital construction, the
17 equivalent of \$1,500,000 in local currencies.

18 Intergovernmental Committee for European Migration:
19 For contributions authorized by section 405 (a), \$10,000,-
20 000: *Provided*, That no funds herein appropriated shall
21 be used to assist directly in the migration to any nation in
22 the Western Hemisphere of any person not having a security
23 clearance based on reasonable standards to insure against
24 Communist infiltration in the Western Hemisphere: *And*

1 *provided further*, That no funds herein appropriated shall
2 be used to pay transportation costs of any doctor or immi-
3 grant inspector or for any space not required to be allotted
4 by the applicable U. S. maritime laws and regulations.

5 Program of United Nations High Commissioner for
6 Refugees: For contributions authorized by section 405 (c),
7 \$1,300,000.

8 Escapee program: For assistance authorized by section
9 405 (d), \$3,500,000.

10 United Nations Children's Fund: For contributions au-
11 thorized by section 406, \$12,000,000.

12 United Nations Relief and Works Agency: For contri-
13 butions and expenditures authorized by section 407,
14 \$16,500,000.

15 North Atlantic Treaty Organization science program:
16 For contributions authorized by section 408 (a), \$1,200,000.

17 Ocean freight charges, United States voluntary relief
18 agencies: For payments authorized by section 409 (c),
19 \$2,000,000.

20 General administrative expenses: For expenses author-
21 ized by section 411 (b), \$38,000,000.

22 Administrative and other expenses: For expenses au-
23 thorized by section 411 (c), \$8,000,000.

24 Atoms for peace: For assistance authorized by section
25 419, \$1,500,000.

1 Office of the Inspector General and Comptroller: Not to
2 exceed \$1,000,000 of the funds appropriated in this title
3 shall be available to carry out the provisions of section 533A
4 of the Mutual Security Act of 1954, as amended.

5 CONTINGENCIES

6 President's special authority and contingency fund:
7 For assistance authorized by section 451 (b) , \$150,000,000:
8 *Provided*, That none of the funds appropriated in this para-
9 graph shall be used for any project or activity for which an
10 estimate has been submitted to Congress.

11 CORPORATION

12 The Development Loan Fund is hereby authorized to
13 make such expenditures within the limits of funds available
14 to it, and in accord with law, and to make such contracts
15 and commitments without regard to fiscal year limitations
16 as provided in section 104 of the Government Corporation
17 Control Act, as amended, as may be necessary in carrying
18 out the programs set forth in the budget for the current fiscal
19 year for such corporation, except as hereinafter provided:

20 DEVELOPMENT LOAN FUND

21 For advances to the Development Loan Fund as au-
22 thorized by section 203, \$550,000,000, to remain available
23 until expended.

1 LIMITATION ON ADMINISTRATIVE EXPENSES, DEVELOP-
2 MENT LOAN FUND

3 Not to exceed \$1,800,000 of the funds of the Develop-
4 ment Loan Fund shall be available during the current fiscal
5 year for administrative expenses of the Fund covering the
6 categories set forth in the current fiscal year budget esti-
7 mates for such expenses.

8 GENERAL PROVISIONS

9 SEC. 101. None of the funds herein appropriated shall be
10 used to carry out any provision of chapter II, III, or IV
11 of the Mutual Security Act of 1954, as amended, with respect
12 to any project or activity, or in any country, during any
13 period when more than thirty-five days have elapsed between
14 the written request (delivered to the office of the head of
15 the appropriate department or agency) for, and the furnish-
16 ing of, any document, paper, communication, audit, review,
17 finding, recommendation, report, or other material in pos-
18 session or control of such department or agency relating to
19 the expenditure of funds with respect to such project or
20 activity or in such country, to the General Accounting Office
21 or any committee of the Congress, or any duly authorized
22 subcommittee thereof, charged with considering legislation
23 or appropriations for or expenditures of such department or
24 agency.

1 SEC. 102. None of the funds herein appropriated for
2 Defense Support, the Development Loan Fund, Special
3 Assistance, or the President's Special Authority and Contin-
4 gency Fund shall be used to finance the construction of any
5 new flood control, reclamation, or other water or related land
6 resource project or program which has not met the standards
7 and criteria used in determining the feasibility of flood con-
8 trol, reclamation and other water and related land resource
9 programs and projects proposed for construction within the
10 United States of America as per circular A-47 of the Bureau
11 of the Budget, dated December 31, 1952.

12 SEC. 103. Obligations made from funds herein appro-
13 priated for engineering and architectural fees and services
14 to any individual or group of engineering and architectural
15 firms on any one project in excess of \$25,000 shall be re-
16 ported to the Committees on Appropriations of the Senate
17 and House of Representatives at least twice annually.

18 SEC. 104. Except for the appropriations entitled "Pres-
19 ident's special authority and contingency fund" and "Devel-
20 opment Loan Fund", not more than 20 per centum of any
21 appropriation item made available by this title shall be obli-
22 gated and/or reserved during the last month of availability.

23 SEC. 105. None of the funds herein appropriated nor
24 any of the counterpart funds generated as a result of assist-

1 ance hereunder or any prior Act shall be used to pay
2 pensions, annuities, retirement pay or adjusted service com-
3 pensation for any persons heretofore or hereafter serving
4 in the armed forces of any recipient country.

5 SEC. 106. None of the funds herein appropriated shall
6 be used to carry out the provisions of section 203 (c) of the
7 Mutual Security Act of 1960.

8 SEC. 107. None of the funds herein appropriated shall
9 be used to carry out the provisions of section 421 of the
10 Mutual Security Act of 1954, as amended.

11 SEC. 108. None of the funds herein appropriated shall
12 be used to finance any of the activities under the Investment
13 Incentive Fund Program.

14 SEC. 109. None of the funds herein appropriated shall
15 be used to carry out the provisions of chapter VIII of the
16 Mutual Security Act of 1960.

17 SEC. 110. The Congress hereby reiterates its opposition
18 to the seating in the United Nations of the Communist China
19 regime as the representative of China, and it is hereby
20 declared to be the continuing sense of the Congress that the
21 Communist regime in China has not demonstrated
22 its willingness to fulfill the obligations contained in the
23 Charter of the United Nations and should not be recognized
24 to represent China in the United Nations. In the event
25 of the seating of representatives of the Chinese Communist

1 regime in the Security Council or General Assembly of the
2 United Nations, the President is requested to inform the
3 Congress insofar as is compatible with the requirements of
4 national security, of the implications of this action upon the
5 foreign policy of the United States and our foreign relation-
6 ships, including that created by membership in the United
7 Nations, together with any recommendations which he may
8 have with respect to the matter.

9 SEC. 111. It is the sense of Congress that any attempt
10 by foreign nations to create distinctions because of their
11 race or religion among American citizens in the granting of
12 personal or commercial access or any other rights otherwise
13 available to United States citizens generally is repugnant to
14 our principles; and in all negotiations between the United
15 States and any foreign state arising as a result of funds
16 appropriated under this title these principles shall be applied
17 as the President may determine.

18 SEC. 112. None of the funds contained in title I of this
19 Act may be used to enter into any contract with any person,
20 organization, company, or concern or any of its affiliates who
21 has offered or who offers to provide compensation to an
22 employee of the International Cooperation Administration
23 or who provides compensation to any former employee of
24 the International Cooperation Administration whose annual

1 salary exceeds \$5,000 and who has left employment with
2 the International Cooperation Administration within two
3 years of the date of employment with said person, organiza-
4 tion, company, or concern, or any of its affiliates.

5 TITLE II—DEPARTMENT OF THE ARMY—

6 CIVIL FUNCTIONS

7 RYUKYU ISLANDS, ADMINISTRATION

8 For expenses, not otherwise provided for, necessary to
9 meet the responsibilities and obligations of the United States
10 in connection with the government of the Ryukyu Islands,
11 including, subject to such authorizations and limitations as
12 may be prescribed by the Secretary of the Army, tuition,
13 travel expenses, and fees incident to instruction in the United
14 States or elsewhere of such persons as may be required to
15 carry out the provisions of this appropriation; travel ex-
16 penses and transportation; services as authorized by section
17 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of indi-
18 viduals not to exceed ten in number; not to exceed
19 \$3,000 for contingencies for the High Commissioner, to
20 be expended in his discretion; translation rights, photographic
21 work, educational exhibits, and dissemination of information,
22 including preview and review expenses incident thereto; hire
23 of passenger motor vehicles and aircraft; purchase of three
24 passenger motor vehicles for replacement only; construction,
25 repair, and maintenance of buildings, utilities, facilities, and

1 appurtenances; and such supplies, commodities, and equip-
2 ment as may be essential to carry out the purposes of this
3 appropriation; \$5,250,000, of which not to exceed \$1,633,-
4 000 shall be available for administrative and information ex-
5 penses: *Provided*, That the general provisions of the Appre-
6 priation Act for the current fiscal year for the military
7 functions of the Department of the Army shall apply to
8 expenditures made from this appropriation: *Provided fur-*
9 *ther*, That expenditures from this appropriation may be
10 made outside continental United States when necessary to
11 carry out its purposes, without regard to sections 355, 3648,
12 and 3734, Revised Statutes, as amended, section 4774 (d)
13 of title 10, United States Code, civil service or classification
14 laws, or provisions of law prohibiting payment of any person
15 not a citizen of the United States: *Provided further*, That
16 expenditures may be made hereunder for the purposes of
17 economic rehabilitation in the Ryukyu Islands in such
18 manner as to be consistent with the general objectives of
19 titles II and III of the Mutual Security Act of 1954, and
20 in the manner authorized by sections 505 (a) and 522 (e)
21 thereof: *Provided further*, That funds appropriated here-
22 under may be used, insofar as practicable, and under such
23 rules and regulations as may be prescribed by the Secretary
24 of the Army to pay ocean transportation charges from
25 United States ports, including territorial ports, to ports

1 in the Ryukyus for the movement of supplies donated to,
2 or purchased by, United States voluntary nonprofit relief
3 agencies registered with and recommended by the Advisory
4 Committee on Voluntary Foreign Aid or of relief packages
5 consigned to individuals residing in such areas: *Provided*
6 *further*, That under the rules and regulations to be pre-
7 scribed, the Secretary of the Army shall fix and pay a uni-
8 form rate per pound for the ocean transportation of all re-
9 lief packages of food or other general classification of com-
10 modities shipped to the Ryukyus regardless of methods of
11 shipment and higher rates charged by particular agencies of
12 transportation, but this proviso shall not apply to shipments
13 made by individuals to individuals: *Provided further*, That
14 the President may transfer to any other department or
15 agency any function or functions provided for under this
16 appropriation, and there shall be transferred to any such
17 department or agency without reimbursement and without
18 regard to the appropriation from which procured, such prop-
19 erty as the Director of the Bureau of the Budget shall de-
20 termine to relate primarily to any function or functions so
21 transferred.

1 TITLE III—EXPORT-IMPORT BANK OF
2 WASHINGTON

3 The Export-Import Bank of Washington is hereby au-
4 thorized to make such expenditures within the limits of funds
5 and borrowing authority available to such corporation, and in
6 accord with law, and to make such contracts and commit-
7 ments without regard to fiscal year limitations as provided by
8 section 104 of the Government Corporation Control Act, as
9 amended, as may be necessary in carrying out the programs
10 set forth in the budget for the current fiscal year for such
11 corporation, except as hereinafter provided:

12 LIMITATION ON ADMINISTRATIVE EXPENSES, EXPORT-
13 IMPORT BANK OF WASHINGTON

14 Not to exceed \$2,675,000 (to be computed on an ac-
15 crual basis) of the funds of the Export-Import Bank of
16 Washington shall be available during the current fiscal year
17 for administrative expenses of the Bank, including services as
18 authorized by section 15 of the Act of August 2, 1946 (5
19 U.S.C. 55a) at rates not to exceed \$75 per diem for indi-
20 viduals, purchase of one passenger motor vehicle (for re-
21 placement only) at not to exceed \$6,250; and, in addition,
22 not to exceed the equivalent of \$200,000 of the aggregate

1 amount of foreign currencies made available to the Export-
2 Import Bank for loans pursuant to the Agricultural Trade
3 Development and Assistance Act of 1954, as amended, shall
4 be available during the current fiscal year for expenses in-
5 curred by the Export-Import Bank incident to such loans:
6 *Provided*, That fees or dues to international organizations of
7 credit institutions engaged in financing foreign trade and
8 necessary expenses (including special services performed on
9 a contract or fee basis, but not including other personal serv-
10 ices) in connection with the acquisition, operation, mainte-
11 nance, improvement, or disposition of any real or personal
12 property belonging to the Bank or in which it has an in-
13 terest, including expenses of collections of pledged collateral,
14 or the investigation or appraisal of any property in respect
15 to which an application for a loan has been made, shall be
16 considered as nonadministrative expenses for the purposes
17 hereof.

18 TITLE IV

19 SEC. 401. This Act may be cited as the "Mutual Se-
20 curity and Related Agencies Appropriation Act, 1961".

Passed the House of Representatives June 17, 1960.

Attest:

Clerk.

86TH CONGRESS
2D SESSION

H. R. 12619

AN ACT

Making appropriations for Mutual Security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

JUNE 18, 1960

Read twice and referred to the Committee on Appropriations

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

Issued August 22, 1960

For actions of August 19 & 20, 1960
86th-2nd, Nos. 137
and 138

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HIGHLIGHTS: Senate passed bill to increase price support level for milk and butterfat. Senate committee reported mutual security appropriation bill.

SENATE - August 19

1. MILK PRICE SUPPORTS. Passed as reported S. 2917, to increase the price-support level for manufacturing milk and butterfat for the remainder of the current marketing year, from the date of enactment of the bill until Mar. 31, 1961, to not less than \$3.22 per hundredweight for manufacturing milk and not less than 59.6 cents per pound for butterfat. pp. 15594-601
2. FOREIGN AID; APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 12619, the mutual security appropriation bill, 1961 (S. Report No. 1849)(p. 15555). The "Daily Digest" states that as reported "the bill would provide a total of \$3,989,054,000, an increase of \$399,304,000 over the House-passed figure of \$3,589,750,000. The Budget estimates on this bill called for \$4,281,704,000." (p. D694).
By a vote of 59 to 14, passed without amendment S. 3855, to increase the authorization for appropriations for the President's mutual security contingency fund for fiscal year 1961 by \$100 million, or from \$150 million to \$250 million. pp. 15601-2, 15615-6, 15672
By a vote of 54 to 19, passed without amendment S. 3861, to authorize appropriation of \$600 million for economic aid for Latin America. pp. 15611-5, 15657-72
3. PUBLIC LANDS; MINERALS. By a vote of 59 to 28, passed without amendment H. R. 8860, to provide that the Interior Department shall make payments to small lead and zinc producers at a rate which would provide them a return equivalent to that which they would receive if the market price for zinc were 14½ cents per

pound and lead 17 cents per pound. This bill will now be sent to the President. pp. 15582-94

4. FREIGHT FORWARDERS; TRANSPORTATION. Passed as reported H. R. 5068, to provide for licensing independent foreign freight forwarders. The bill defines and provides for the licensing of independent ocean freight forwarders, permits common carriers by water to compensate ocean freight forwarders when they are licensed and perform any two of six enumerated services, and provides that common carriers by water may compensate independent ocean freight forwarders for performance of certain services and specifies the terms of such compensation. pp. 15564-6
5. PERSONNEL. The Post Office and Civil Service Committee reported with an additional amendment H. R. 8289 (this bill was previously reported with amendment by the Committee on Apr. 27, 1960), to accelerate the commencing date of civil service retirement annuities to the day after an employee retires rather than the month after he retires (S. Rept. 1855). p. 15556
6. OLD-AGE ASSISTANCE. The Finance Committee reported with amendments H. R. 12580, to provide Federal grants to States for medical care for aged individuals of low income (S. Rept. 1856). p. 15556
7. FARM PROGRAM; LEGISLATIVE PROGRAM. Sen. Keating urged enactment of the 21 points in the legislative program of the President set forth in his special message on Aug. 8, stating with regard to farm program recommendations that the "policies of the Eisenhower administration were fully set forth in the special message on agriculture of Jan. 11, 1954, that is $6\frac{1}{2}$ years ago," and had been repeated in numerous Presidential messages since that time. He inserted "full documentation of the times that the President has recommended his legislative program." pp. 15609-10, 15616-56
3. PASSED OVER the following bills: (pp. 15560-1, 15569, 15570)
 - S. 1474, to make permanent the provisions of the Reorganization Act of 1949.
 - H. R. 4012, to provide for the centennial celebration of the establishment of the land-grant colleges and State universities and the establishment of the Department of Agriculture.
 - H. R. 5140, to amend the Reorganization Act of 1949 so that the Act will apply to reorganization plans transmitted to Congress at any time before June 1, 1961.
 - S. 1851, to establish a Commission on a Dept. of Science and Technology.
 - S. 1789, to amend the Interstate Commerce Act to insure the adequacy of the national railroad freight car supply.
 - S. 1711, the food-for-peace bill.
 - S. 2522, to provide for the enrichment and sanitary packaging of certain donated commodities and to establish experimental food-stamp allotment programs.
 - S. 2086, to provide for the establishment of a National Wildlife Disease Laboratory.
 - S. 1787, to protect consumers and others against misbranding, false advertising and false invoicing of decorative hardwood, or imitation hardwood products.
 - H. R. 4601, to amend the Act of Sept. 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the U. S.
 - S. 1638, to modify the Federal personnel administration system.
 - S. 3292, to provide for the establishment of a Dept. of Housing and Metropolitan Affairs.

MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATION BILL, 1961

AUGUST 19, 1960.—Ordered to be printed

Mr. HAYDEN, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 12619]

The Committee on Appropriations, to whom was referred the bill (H.R. 12619) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House	\$3, 589, 750, 000
Amount of increase by Senate committee	399, 304, 000
Amount of bill as reported to the Senate	3, 989, 054, 000
Amount of estimates, 1961	4, 281, 704, 000
Amount of appropriations, 1960	3, 249, 095, 000
The bill as reported to the Senate :	
Under the estimates for 1961	292, 650, 000
Over the appropriations for 1960	739, 959, 000

SUMMARY OF BILL

The accompanying bill recommends the following amounts:

	Budget estimate	House bill	Recommended by Senate committee	Increase (+) or decrease (—) Senate committee bill compared with—	
				Budget estimate	House bill
Mutual security program	\$4,275,000,000	\$3,584,500,000	\$3,981,350,000	—\$293,650,000	+\$396,850,000
Ryukyu Islands	6,704,000	5,250,000	7,704,000	+1,000,000	+2,454,000
Export-Import Bank	(2,675,000)	(2,675,000)	(2,675,000)	-----	-----
Total	4,281,704,000	3,589,750,000	3,989,054,000	—292,650,000	+399,304,000

TITLE I—MUTUAL SECURITY

The following tabulation summarizes the action of the committee on the major items of the mutual security program. A detailed comparison will be found at the end of the report.

	Budget estimates	Recommended by House	Recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared to—	
				Estimates	House bill
Military assistance.....	\$200,000,000	\$1,800,000,000	\$1,800,000,000	-\$200,000,000	-----
Defense support.....	724,000,000	600,000,000	675,000,000	-49,000,000	+\$75,000,000
Technical cooperation.....	206,500,000	184,500,000	206,300,000	-200,000	+21,800,000
Special assistance.....	268,500,000	206,000,000	256,000,000	-12,500,000	+50,000,000
Contingency fund.....	1275,000,000	150,000,000	250,000,000	-25,000,000	+100,000,000
Development Loan Fund.....	700,000,000	550,000,000	700,000,000	-----	+150,000,000
Other programs.....	101,000,000	94,000,000	94,050,000	-6,950,000	+50,000
Total.....	4,275,000,000	3,584,500,000	3,981,350,000	-293,650,000	+396,850,000

¹ Individual request was increased by \$100,000,000 in S. Doc. 117, dated Aug. 17, 1960.

MILITARY ASSISTANCE

The funds from this appropriation are used to provide military equipment, training, supplies, and services to the military forces of 39 countries in order to fulfill U.S. national security objectives.

In its operation, the military assistance program represents a mixture of political, economic, and military factors. In some countries, the military factor is more apparent while in others the political or economic factor dominates the scene.

A budget request totaling \$2 billion was submitted to the Congress to finance this program for fiscal year 1961. A breakdown of its composition is listed below by category of aid:

Aircraft, components, spares, and related equipment	\$279, 114, 000
Ships and harbor craft, components and spares	90, 891, 000
Tanks, other vehicles, weapons, components and spares	151, 501, 000
Ammunition	58, 117, 000
Guided missile systems, components and spares	210, 511, 000
Electronics and communications equipment, components and spares	137, 939, 000
Spare parts	208, 334, 000
Other materiel	222, 276, 000
Construction	57, 604, 000
Repair and rehabilitation	64, 197, 000
Packing, crating, handling, and transportation	140, 650, 000
Training	118, 472, 000
Credit financing	65, 000, 000
Administrative expenses	25, 000, 000
International military headquarters and agencies	11, 000, 000
Mutual weapons development program	40, 000, 000
NATO Infrastructure	90, 000, 000
Weapons production program	39, 000, 000
Other services	30, 394, 000
Subtotal	2, 040, 000, 000
Less: Worldwide funding adjustment	40, 000, 000
Total	2, 000, 000, 000

The committee recommends an appropriation of \$1,800 million for this item. This is the same amount as allowed by the House and is \$200 million less than the amount authorized and the budget request.

LIMITATION ON MILITARY ASSISTANCE ADMINISTRATIVE EXPENSES

For this purpose the House has limited the amount of expenses for fiscal year 1961 to \$23 million. The committee feels that this limitation which is \$2 million below the budget estimate would have the effect of substantially impairing the ability of the executive branch to continue to fund the management measures which have been and are being taken to improve the efficiency of the military assistance program and to eliminate waste. Therefore, the committee recommends that the administrative expenses for the MAP be limited to \$25 million, the amount estimated in the budget.

DEFENSE SUPPORT

That economic assistance provided to 12 countries which are contributing significant military forces and forward military bases essential to the security of the free world is known as defense support.

Nine of the countries receiving this aid border directly on the Sino-Soviet bloc. A 10th, Taiwan, is only 10 minutes by jet aircraft from Communist China, and its offshore islands are within artillery range of the Red China mainland. The remaining two countries, Spain and the Philippines, though not contiguous to any Communist territory, are within easy range of hostile planes or missiles.

More than half of the funds requested for defense support is programmed for three Far Eastern countries—Korea, Taiwan, and Vietnam. A substantial portion of defense support funds will also be provided to Turkey, a member of both NATO and the Central Treaty Organization, and to Pakistan, an independent nation for only 12 years, with overwhelming economic and political problems, but nevertheless, a nation possessed of formidable military forces which has unreservedly staked its course with the free world. The remainder of the funds aggregating 21 percent of the total will go to seven countries, namely: Cambodia, Greece, Iran, Laos, Philippines, Spain, and Thailand.

For fiscal year 1961, the budget proposed \$724 million, Congress authorized \$675 million, and the House appropriated \$600 million for this purpose.

The committee recommends that \$675 million be allowed for defense support for fiscal year 1961. This amount is \$49 million less than the budget estimate but it is \$75 million more than the amount allowed by the House.

The amounts appropriated for this item include \$640 million for defense support generally, and \$35 million specifically for Spain.

TECHNICAL COOPERATION

The bilateral technical cooperation program provides for the international interchange of technical knowledge and skills through training demonstrations, surveys, and similar activities in some 60 countries and territories. This program has been specifically designed and directed to help meet the crucial needs and urgent demands of the people in the underdeveloped countries of the world.

The budget estimate and the amount authorized for fiscal year 1961 proposed that \$172 million be used for this purpose. A recapitulation of this amount by area is shown below:

Europe.....	\$4,000,000
Africa.....	24,300,000
Near East and south Asia.....	44,700,000
Far East.....	36,000,000
Latin America.....	39,500,000
Nonregional.....	23,500,000

The committee recommends an appropriation of \$172 million which is \$22 million over the House bill and is the same as the authorization and budget estimate.

LIMITATION OF TECHNICAL COOPERATION

The committee has stricken from the bill the following language which was added by the House:

Provided, That no part of this appropriation shall be used to initiate any project or activity which has not been justified to the House of Representatives and the Senate.

It was the opinion of the committee that if such a limitation were to remain in the bill, the flexibility, which has been at the heart of a decade of success of the point IV program, would be destroyed.

UNITED NATIONS EXPANDED PROGRAM OF TECHNICAL ASSISTANCE

The committee recommends \$33 million, the full amount of the budget estimate, the authorization, and the House bill. This is an increase of \$3 million over the amount appropriated for fiscal year 1960.

ORGANIZATION OF AMERICAN STATES

The amount of \$1,300,000 is included in the bill for this item. This is \$200,000 under the budget estimate, the Authorization Act, and the House bill.

This amount, together with the \$200,000 of unobligated balances continued available by the committee, provides the full financing for the program requested in the budget.

SPECIAL ASSISTANCE

GENERAL AUTHORIZATION

That economic assistance granted to a country to attain political, economic, humanitarian, or other objectives is known as special assistance. It is distinguished from defense support in that it is furnished to countries wherein the United States is not providing military assistance in support of significant military forces.

Like defense support, special assistance is divided into two categories of aid; namely, project and nonproject aid. Where project-type aid cannot be appropriately or fully provided under technical cooperation or from the Development Loan Fund, it will be furnished through this appropriation title.

The nonproject type aid furnished out of the special assistance appropriation finances the import of agricultural and industrial commodities. In some instances, direct cash payments are made to certain countries out of this account.

The budget estimate for this item proposed \$268,500,000 for the areas of the world shown below:

Europe	\$6, 200, 000
Africa	115, 000, 000
Near East and South Asia	69, 600, 000
Far East	9, 500, 000
Latin America	23, 100, 000
Nonregional	45, 100, 000
Total	268, 500, 000

Authorizing legislation provided \$256 million for this purpose, and the House bill reduced this amount by \$50 million, appropriating \$206 million for the fiscal year 1961.

The committee recommends \$256 million, which is \$50 million over the amount allowed by the House and \$12,500,000 less than the budget estimate.

The committee has deleted the following provision which was included in the House bill:

Provided, That no part of this appropriation shall be transferred by the International Cooperation Administration or the Department of State to the Benjamin Franklin Foundation, until a new agreement is entered into between the United States and the Benjamin Franklin Foundation which contains adequate financial and administrative controls for the protection of the Government of the United States.

Testimony heard by the committee has convinced it that adequate financial and administrative controls are presently exercised by the Department of State over funds furnished to the Benjamin Franklin Foundation.

AMERICAN RESEARCH HOSPITAL FOR CHILDREN IN POLAND

The committee recommends an appropriation of \$1,500,000 to be used to purchase foreign currencies to finance a contribution to the cost of construction of a hospital for children at Krakow, Poland.

The House approved the use of local currency but did not provide an appropriation to purchase the foreign currency from the Treasury. The committee has placed this item on an appropriation basis in accordance with the recommendations of the Bureau of the Budget, and more detailed views on this subject are outlined in the paragraph captioned "Foreign Currencies," which follows in this report.

It is the recommendation of the committee that an early start on this construction project in Poland be made. The committee recommends that \$100,000 of the foreign currencies be made available for an immediate start on engineering and preparatory work and that the remaining \$1,400,000 should be made available to the project during the fiscal year 1961 under an agreement between the International Cooperation Administration and the Committee for the American Research Hospital for Children in Poland.

FOREIGN CURRENCIES

The President's budget for fiscal year 1961 estimated that U.S. Government agencies will require about \$2.3 billion of foreign currencies in 1961 to perform their operations abroad. It is estimated that only about \$130 million of this amount can be secured from currencies available in the U. S. Treasury. This leaves a total of over \$2.1 billion of foreign currencies which will need to be purchased commercially by U.S. disbursing officers.

Various provisions of law authorize the use of foreign currencies for special programs without charge to agency appropriations. In many countries this results in a reduction in currencies that might otherwise have been available to sell to agencies to meet their regular local expenses. This has the same effect on the Treasury as spending dollars for these specially authorized programs.

It was proposed by the President in the budget for fiscal year 1961 that U.S. agency foreign currency programs be covered by appropriations commencing with fiscal year 1961. This change will not alter

total appropriations or expenditures but will increase the appropriations of the agency using the currency so as to give an accurate figure and in the case of Public Law 480 foreign currencies decrease those of the Commodity Credit Corporation.

The committee feels that the recommendations in this regard in the 1961 budget are sound and desirable and insofar as possible it is intended the committee will follow the procedure outlined in the budget.

INTERGOVERNMENTAL COMMITTEE FOR EUROPEAN MIGRATION

The bill includes \$6,700,000 for this organization whose objective is to move and resettle those surplus populations and refugees from the overpopulated countries of Europe to other countries which can use additional manpower. The amount recommended is \$3,300,000 less than the budget estimate, the authorization, and the House bill, but unobligated balances aggregating \$3,300,000 are continued available providing therefore, full financing of the amount contemplated in the budget estimate.

UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES

The committee concurs with the House and recommends \$1,300,000, the amount authorized but \$200,000 under the budget estimate. This amount is \$200,000 more than was provided in fiscal year 1960 for this purpose.

ESCAPEE PROGRAM

This program has for its principal objective the reduction in the number of escapees in need of assistance in Europe by resettlement in oversca countries which are in need of additional people. While the escapees are awaiting permanent reestablishment the program supplements the assistance of the countries of asylum and of the voluntary agencies. The U.S. contribution fills the gap which remains between what can be provided from these two sources and what is needed to assure a level of assistance considered essential.

The committee recommends \$3,350,000 which is \$150,000 under the budget estimate, authorization, and the House bill, but unobligated balances amounting to \$150,000 are continued available providing, therefore, full financing of the program originally contemplated.

UNITED NATIONS CHILDREN'S FUND

This program, designed to improve the health and welfare of mothers and children primarily in the underdeveloped areas of the world, is currently participating in 371 programs in 104 countries and territories.

The committee concurs with the House and recommends \$12 million, the amount authorized and contained in the estimate for fiscal year 1961.

UNITED NATIONS RELIEF AND WORKS AGENCY

This program provides funds for U.S. participation in the relief and rehabilitation of Palestine refugees in the Near East.

The committee recommends \$16,500,000 for this item, which is the same amount authorized and contained in the House bill, but \$2 million below the budget estimate for fiscal year 1961.

NATO SCIENCE PROGRAM

This program, designed to increase scientific cooperation within the NATO alliance, provides fellowships, institutes, and research grants.

The amount allocated for this purpose last year from another appropriation was \$1,200,000. This is the first year for which a separate appropriation title has been created for this item, and the committee recommends the same amount as was provided last year. This allowance is identical with the sum allowed by the House and \$600,000 less than the amount of the budget estimate.

OCEAN FREIGHT

This program subsidizes the cost of movement overseas of supplies donated to American voluntary agencies, and facilitates and encourages people-to-people gifts from Americans to needy persons abroad.

This committee concurs with the estimate, the authorization, and the House bill by providing \$2 million for this purpose for fiscal year 1961.

GENERAL ADMINISTRATIVE EXPENSES

The committee recommends the amount of \$40 million for general administrative expenses. This is \$2 million more than the amount of \$38 million provided in the House bill and the same as the authorization and budget estimate which were in the amount of \$40 million.

ADMINISTRATIVE AND OTHER EXPENSES

This appropriation title provides for the administrative expenses of the State Department incurred in providing coordination and program policy review of the mutual security program in Washington and abroad, for public information on the program, and for support of the U.S. mission to NATO and European Regional Organization in Paris.

In addition, the costs of administering the refugee and migration program and the Battle Act are financed by this item.

The bill includes \$8 million for this item which is the amount provided by the House bill and the same as the amount contained in the budget estimate.

ATOMS FOR PEACE

The purpose of this program is to promote the peaceful uses of atomic energy abroad.

There is recommended an appropriation of \$1,800,000, as proposed in the House bill and the same as the budget estimate and the amount authorized.

PRESIDENT'S SPECIAL AUTHORITY AND CONTINGENCY FUND

The contingency fund was created to serve as a reserve for anticipated requirements which are not firm at the time of the congressional presentation, and also for fortuitous occurrences which result in catastrophes throughout the world.

The budget estimate of \$275 million (including a request for \$100 million transmitted in S. Doc. 117, dated Aug. 17, 1960) was considered by the committee, and an appropriation of \$250 million was recommended. This amount is \$100 million more than was allowed by the House, and \$25 million less than the budget estimate.

The committee has eliminated the following provision included in the House bill under this paragraph:

Provided, That none of the funds appropriated in this paragraph shall be used for any project or activity for which an estimate has been submitted to Congress.

The following provision has been included under this paragraph by the committee:

Provided, That none of the funds appropriated in this paragraph may be used to finance contributions to the United Nations for a program in any country in Africa in excess of 40 per centum of the total contributions to the United Nations for such program.

The committee feared that unless some restraint were placed on the use of the contingency fund for multilateral aid purposes, there would be a tendency on the part of the administrators of the fund to commit us for more than our fair share of the aid burden, which should not exceed 33⅓ percent of the total.

In making an exception for fiscal year 1961, the committee expects the executive branch to devote every effort toward insuring that if similar contributions are necessary in subsequent years, they shall be confined to amounts which, in terms of percentage to total contributions, progressively reduce the United States' share to 33⅓ percent.

DEVELOPMENT LOAN FUND

The committee recommends an appropriation of \$700 million, an increase of \$150 million over the House bill.

This Fund was created by the Congress in 1957 as a separate and distinct corporate entity. It was established primarily as the instrument to be used to provide capital for the long-term economic growth in the less developed countries. In fulfilling this purpose the Development Loan Fund is intended to gradually displace project-type grant assistance provided in both the defense support and special assistance appropriations.

A summary of the action taken on the budget estimate of the Development Loan Fund is shown in the tabulation below:

Amount authorized for fiscal year 1960 and subsequent years---	\$700, 000, 000
Amount authorized for fiscal year 1961 and subsequent years---	1, 100, 000, 000
Total amount of authorization available for 1960 and subsequent years-----	1, 800, 000, 000
Amount appropriated for fiscal year 1960-----	550, 000, 000
Balance of authorization available for fiscal year 1961 and subsequent years-----	1, 250, 000, 000
Budget estimate fiscal year 1961-----	700, 000, 000
Recommended in House bill-----	550, 000, 000
Senate committee recommendation-----	700, 000, 000

ADMINISTRATIVE EXPENSE LIMITATION—DLF

The budget estimate for this purpose was \$2,150,000 and the amount allowed by the House was \$1,800,000. The committee recommends \$2,150,000, which is \$350,000 more than the amount contained in the House bill and the same as the budget estimate.

The committee has added the following language to the bill:

: Provided, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Fund or in which it has an interest as a result of its financing activities, including expenses of collections of pledged collateral, shall be considered as non-administrative expenses for the purposes hereof.

This proviso will permit the Development Loan Fund to obtain emergency, on the spot, legal, accounting, and custodial services for limited periods of time on a contract basis to protect Development Loan Fund investments in the event of default without charge against the limitation on the Fund's administrative expenses.

LIMITATION ON OFFICE OF INSPECTOR GENERAL AND COMPTROLLER

The House bill contained a limitation providing that not to exceed \$1 million of the funds available under the mutual security program shall be available to carry out the provisions of section 533-A of the Mutual Security Act as amended. This section became effective on July 24, 1959, and provided for a new Office of Inspector General and Comptroller with jurisdiction over investigations, evaluation, and financial management of the program.

The committee is of the opinion that the limitation inserted in the bill by the House would circumvent the intention of the authorization act, and accordingly has deleted the provision from the bill:

UNOBLIGATED BALANCES

The committee has recommended that the unobligated balances of appropriations available as of June 30, 1960, be reappropriated. This amounts to \$42,514,000. The language included in the bill by the committee reads:

Unobligated balances of funds heretofore made available under authority of the Mutual Security Act of 1954, as amended, and available as of June 30, 1960, are, except as otherwise provided, hereby continued available for the fiscal year 1961, for the same general purposes for which appropriated.

DEOBLIGATION-REOBLIGATION AUTHORITY

The appropriation act for the mutual security program for many years has contained a provision authorizing the reobligation of deobligated funds. This policy has been approved by the Congress, since it was believed important to a businesslike and effective conduct of a large and complex program such as the mutual security program.

The provision was omitted from the bill in the House of Representatives. It has been restored by the committee. The language reads as follows:

Funds appropriated under each paragraph of this title (other than appropriations under the head of military assistance), including unobligated balances continued available, and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for the same general purpose as such paragraph, which amounts are hereby continued available (except as may otherwise be specified in this title) for the same period as the respective appropriations in this title for the same general purpose, may be consolidated in one account for each paragraph.

DISCLOSURE OF DOCUMENTS

The committee has stricken from the bill the following provision, which was added on the floor of the House of Representatives:

SEC. 101. None of the funds herein appropriated shall be used to carry out any provision of chapter II, III, or IV of the Mutual Security Act of 1954, as amended, with respect to any project or activity, or in any country, during any period when more than 35 days have elapsed between the written request (delivered to the office of the head of the appropriate department or agency) for, and the furnishing of, any document, paper, communication, audit, review, finding, recommendation, report, or other material in possession or control of such department or agency relating to the expenditure of funds with respect to such project or activity or in such country, to the General Accounting Office or any

committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriations for or expenditures of such department or agency.

In lieu of the foregoing language the committee has included in the bill the following section, which was agreed to in conference last year and was included in the Mutual Security Appropriation Act for fiscal year 1960:

SEC. 101. (a) Within sixty days following the date of enactment of this Act, the President shall transmit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a report containing a full and complete revision of the data presented to such committees in justification of appropriations requested for the Mutual Security program for the fiscal year 1961, showing any changes in such program approved subsequent to such presentation, including changes necessary to reflect actual appropriations for the program.

(b) Within thirty days following the approval of any change in the Mutual Security program for the fiscal year 1961, which will result in furnishing assistance of a kind, for a purpose, in an area, or in an amount, different from that described in the report transmitted under subsection (a), and which involves \$1,000,000 or more, or 5 per centum of the amount appropriated under any paragraph of this title, whichever is the lesser, the President shall transmit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a full and complete report of such change and the reasons therefor.

(c) This section shall not apply to programs authorized by section 451 of the Mutual Security Act of 1954, as amended.

(d) None of the funds herein appropriated shall be used to carry out any provision of chapter II, III, or IV of the Mutual Security Act of 1954, as amended, in any country, or with respect to any project or activity, after the expiration of the thirty-five day period which begins on the date the General Accounting Office of any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriations for, or expenditures of, the International Cooperation Administration, has delivered to the office of the Director of the International Cooperation Administration a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material relating to the administration of such provision by the International Cooperation Administration in such country or with respect to such project or activity, unless and until there has been furnished to the General Accounting Office, or to such committee or subcommittee, as the case may be, (1) the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested, or (2) a certification by the President that he has forbidden its being furnished pursuant to such request, and his reason for so doing.

FEASIBILITY DETERMINATION FOR WATER RESOURCE PROJECTS

In the House bill a provision was included relating to the feasibility determination for water resource projects. The committee recommends that the section be amended as indicated:

SEC. 102. None of the funds herein appropriated for Defense Support, the Development Loan Fund, Special Assistance, or the President's Special Authority and Contingency Fund shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which ~~has not met the standards and criteria used in determining the feasibility of flood control, reclamation and other water and related land resource programs and projects proposed for construction within the United States of America as per circular A-47 of the Bureau of the Budget, dated December 31, 1952: does not meet a feasibility ratio of related programs in the United States based on the engineering information available at the time the project is being considered.~~

POINT IV YOUTH CORPS

The Mutual Security Authorization Act provides authority for the use of \$10,000 for a study on the advisability and practicality of a program to be known as the Point IV Youth Corps.

Section 106 of the appropriation bill inserted in the bill by the House prohibits the use of any of the funds for this purpose.

The prohibition included in the bill by the House has been deleted by the committee.

LOANS TO SMALL FARMERS

The committee has stricken from the bill the prohibition included by the House against the use of any of the appropriations to carry out the provisions of section 421 of the Mutual Security Act of 1954, as amended, which section relates to loans to small farmers.

INVESTMENT INCENTIVE PROGRAM

The committee has stricken from the bill a prohibition included by the House against the use of any of the funds to finance any of the activities under the investment incentive fund program.

HEMISPHERIC CENTER IN PUERTO RICO

Section 801 of the Mutual Security Act as amended relates to a plan and program for the establishment in Puerto Rico of an educational institution to be known as the Hemispheric Center for Cultural and Technical Interchange. The House included in the bill a prohibition against use of any funds in this act to implement this authorization. The committee has stricken the House-approved prohibition from the bill.

RESTRAINT ON POST-ICA EMPLOYMENT

The following provision which was included in the bill by the House of Representatives has been deleted by the committee:

SEC. 112. None of the funds contained in title I of this Act may be used to enter into any contract with any person, organization, company, or concern or any of its affiliates who has offered or who offers to provide compensation to an employee of the International Cooperation Administration or who provides compensation to any former employee of the International Cooperation Administration whose annual salary exceeds \$5,000 and who has left employment with the International Cooperation Administration within two years of the date of employment with said person, organization, company, or concern, or any of its affiliates.

AMERICAN UNIVERSITY AT BEIRUT

The committee desires to record its endorsement of the work being performed by the American University at Beirut. The committee recommends to the Department of State that the sum of \$2.5 million be allocated to this university from the funds contained in this act, for the construction of a clinical teaching and research building. With \$2.5 million from the U.S. Government, the school will be in a position to receive substantial operating assistance from private sources.

UNAUTHORIZED REPRODUCTION OF AMERICAN BOOKS

In its report last year the committee took notice of the problem of unauthorized reproduction of American copyrighted books in Nationalist China and directed the Department of State to exert every effort to have this practice discontinued. The committee notes with satisfaction that the Nationalist Government imposed an embargo on the export of unauthorized photographically reproduced books in March 1960. However, this practice appears to be continuing within the territory of the Nationalist Government. The Department of State is requested to continue efforts to have this practice discontinued and to establish a mutually satisfactory system of copyright relations between the United States and Nationalist China.

CONFIRMATORY PROVISION

The following provision has been added to the bill by the committee:

SEC. 108. The appropriations and authority with respect thereto in this Act shall be available from July 1, 1960, for the purposes provided in such appropriations and authority. All obligations incurred during the period between June 30, 1960, and the date of enactment of this Act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms hereof.

TITLE II—DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

The Budget estimate for civil administration of the Ryukyuan Islands is in the amount of \$6,704,000. The House recommended an appropriation of \$5,250,000, or a decrease in the budget estimate of \$1,454,000. The committee has restored this reduction made in the House and in addition has included \$1 million over the budget estimate. This extra \$1 million is intended by the committee to be used to increase salaries of Ryukyuan teachers so that their salary will more nearly be in line with their counterparts in Japan. The amount recommended by the committee is \$7,704,000, an increase of \$2,454,000 over the House bill. The committee has increased the limitation on the amount which may be used for contingencies by the high commissioner from \$3,000 to \$4,000. The committee recommends the full amount of the budget estimate of \$1,744,000 under the limitation on the amount for administrative and informational expenses.

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON**LIMITATION AND ADMINISTRATION EXPENSES**

The committee concurs in the action of the House and recommends an administrative expense limitation of \$2,675,000. Language has also been included in the bill by the committee authorizing the use of not to exceed \$9,000 for entertainment allowance for members of the Board of Directors.

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1960 AND ESTIMATES AND AMOUNTS RECOMMENDED IN BILL FOR 1961

TITLE I—MUTUAL SECURITY

Item	Appropriations, 1960	Budget estimates, 1961	Recommended in House bill for 1961	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations, 1960	Budget estimates, 1961	House bill
FUNDS APPROPRIATED TO THE PRESIDENT							
Military assistance-----	\$1,300,000,000	\$2,000,000,000	\$1,800,000,000	\$1,800,000,000	+\$500,000,000	-\$200,000,000	-----
Defense support-----	695,000,000	724,000,000	600,000,000	675,000,000	-20,000,000	-49,000,000	+\$75,000,000
Technical cooperation, general authorization-----	150,000,000	172,000,000	150,000,000	172,000,000	+22,000,000	-----	+22,000,000
United Nations expanded program of technical assistance-----	30,000,000	33,000,000	33,000,000	33,000,000	+3,000,000	-----	-----
Technical cooperation programs of the Organization of American States-----	1,200,000	1,500,000	1,500,000	1,300,000	+100,000	-200,000	-200,000
Special assistance:							
General authorization-----	245,000,000	268,500,000	206,000,000	256,000,000	+11,000,000	-12,500,000	+50,000,000
Special authorization-----	1 (50,000)	-----	1 (7,500,000)	1,500,000	+1,500,000	+1,500,000	+1,500,000
Intergovernmental Committee for European Migration-----	7,371,000	10,000,000	10,000,000	6,700,000	-671,000	-3,300,000	-3,300,000
Program of United Nations High Commissioner for Refugees-----	1,100,000	1,500,000	1,300,000	1,300,000	+200,000	-200,000	-----
Escapee program-----	4,632,000	3,500,000	3,500,000	3,350,000	-1,282,000	-150,000	-150,000
United Nations Children's Fund-----	12,000,000	12,000,000	12,000,000	12,000,000	-----	-----	-----
United Nations Relief and Works Agency-----	25,000,000	18,500,000	16,500,000	16,500,000	-8,500,000	-2,000,000	-----
North Atlantic Treaty Organization Science Program-----	-----	1,800,000	1,200,000	1,200,000	+1,200,000	-600,000	-----
Ocean freight charges-----	1,910,000	2,000,000	2,000,000	2,000,000	+90,000	-----	-----

See footnotes at end of table, p. 18.

Comparative statement of appropriations for 1960 and estimates and amounts recommended in bill for 1961—Continued

TITLE I—MUTUAL SECURITY—Continued

Item	Appropriations, 1960	Budget estimates, 1961	Recommended in House bill for 1961	Amount recommended by Senate committee	Increase (+) or decrease (—), Senate bill compared with—		
					Appropriations, 1960	Budget estimates, 1961	House bill
General administrative expenses.....	\$38,000,000	\$40,000,000	\$38,000,000	\$40,000,000	+\$2,000,000	-----	+\$2,000,000
Administrative and other expenses.....	8,100,000	8,300,000	8,000,000	8,000,000	—100,000	—\$300,000	-----
Atoms for peace.....	1,500,000	3,400,000	1,500,000	1,500,000	-----	—1,900,000	-----
President's Special Authority and Contingency Fund.....	155,000,000	275,000,000	150,000,000	250,000,000	+95,000,000	—25,000,000	+100,000,000
Total, funds appropriated to the President.....	² 2,675,813,000	³ 3,575,000,000	3,034,500,000	3,281,350,000	+605,537,000	—293,650,000	+246,850,000
CORPORATION							
Development Loan Fund.....	550,000,000	700,000,000	550,000,000	700,000,000	+150,000,000	-----	+150,000,000
Limitation on administrative expenses, Development Loan Fund.....	(1,820,000)	(2,150,000)	(1,800,000)	(2,150,000)	(+330,000)	-----	(+350,000)
Total, title I, mutual security.....	3,225,813,000	4,275,000,000	3,584,500,000	3,981,350,000	+755,537,000	—293,650,000	+396,850,000

¹ The equivalent in local currencies.² In addition, all unobligated balances continued available as proposed in H. Doc. 188.³ In addition, all unobligated balances estimated to be \$52,514,000 continued available.

TITLE II—DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

RYUKYU ISLANDS, ARMY								
	Administration.....	\$5,282,000	\$6,704,000	\$5,250,000	\$7,704,000	+\$2,422,000	+\$1,000,000	+\$2,454,000
	Construction of power systems, Ryukyu Islands.....	18,000,000				-18,000,000		
	Total, title II, Department of the Army, civil functions	23,282,000	6,704,000	5,250,000	7,704,000	-15,578,000	+1,000,000	+2,454,000

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on administrative expenses, Export-Import Bank of Washington.....								
		(\$2,500,000)	(\$2,675,000)	(\$2,675,000)	(\$2,675,000)	(+\$175,000)		
	Grand total.....	3,249,005,000	4,281,704,000	3,589,750,000	3,989,054,000	+739,959,000	-\$292,650,000	+\$399,304,000

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Calendar No. 1921

86TH CONGRESS
2^D SESSION

H. R. 12619

[Report No. 1849]

IN THE SENATE OF THE UNITED STATES

JUNE 18, 1960

Read twice and referred to the Committee on Appropriations

AUGUST 19, 1960

Reported by Mr. HAYDEN, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for Mutual Security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1961, namely:

6 TITLE I—MUTUAL SECURITY

7 FUNDS APPROPRIATED TO THE PRESIDENT

8 For expenses necessary to enable the President to carry
9 out the provisions of the Mutual Security Act of 1954, as

1 amended, to remain available until June 30, 1961, unless
2 otherwise specified herein, as follows:

3 MILITARY ASSISTANCE

4 For expenses as authorized by section 103 (a) of the
5 Mutual Security Act of 1954, as amended, necessary to
6 enable the President to carry out the purposes of chapter I
7 of such Act (including administrative expenses as authorized
8 by section 103 (b) of such Act, which shall not exceed
9 ~~\$23,000,000~~ \$25,000,000 for the current fiscal year, and
10 purchase for replacement only of passenger motor vehicles
11 for use outside the United States), \$1,800,000,000.

12 ECONOMIC ASSISTANCE

13 Defense support: For assistance authorized by section
14 131 (b), ~~\$600,000,000~~ \$640,000,000, and in addition for
15 defense support for Spain, authorized by section 131(b),
16 \$35,000,000, exclusive of technical cooperation.

17 Technical cooperation, general authorization: For assist-
18 ance authorized by section 304, ~~\$150,000,000~~ \$172,000,-
19 000: *Provided*, That no part of this appropriation shall be
20 used to initiate any project or activity which has not been
21 justified to the House of Representatives and the Senate.

22 United Nations expanded program of technical assistance
23 and related fund: For contributions authorized by section
24 306 (a), \$33,000,000.

1 Technical cooperation programs of the Organization of
 2 American States: For contributions authorized by section
 3 306 (b) , ~~\$1,500,000~~ \$1,300,000.

4 Special assistance, general authorization: For assistance
 5 authorized by section 400 (a) , ~~\$206,000,000~~ \$256,000,000:
 6 *Provided*, That no part of this appropriation shall be trans-
 7 ferred by the International Cooperation Administration or
 8 the Department of State to the Benjamin Franklin Founda-
 9 tion, until a new agreement is entered into between the
 10 United States and the Benjamin Franklin Foundation which
 11 contains adequate financial and administrative controls for
 12 the protection of the Government of the United States.

13 Special assistance, special authorization: For assistance
 14 authorized by section 400 (c) for hospital construction, the
 15 equivalent of \$1,500,000 in local currencies.

16 *Special Assistance, special authorizaiton: For assistance*
 17 *authorized by section 400 (c) for hospital construction,*
 18 *\$1,500,000 to be used to purchase foreign currencies*
 19 *which the Department of the Treasury may determine to*
 20 *be excess to the normal requirements of the United States.*

21 Intergovernmental Committee for European Migration:
 22 For contributions authorized by section 405 (a) , ~~\$10,000,-~~
 23 ~~000~~ \$6,700,000: *Provided*, That no funds herein appropriated
 24 shall be used to assist directly in the migration to any nation in
 25 the Western Hemisphere of any person not having a security

1 clearance based on reasonable standards to insure against
2 Communist infiltration in the Western Hemisphere: *And*
3 *provided further*, That no funds herein appropriated shall
4 be used to pay transportation costs of any doctor or immi-
5 grant inspector or for any space not required to be allotted
6 by the applicable U. S. maritime laws and regulations.

7 Program of United Nations High Commissioner for
8 Refugees: For contributions authorized by section 405 (c),
9 \$1,300,000.

10 Escapee program: For assistance authorized by section
11 405 (d), ~~\$3,500,000~~ \$3,350,000.

12 United Nations Children's Fund: For contributions au-
13 thorized by section 406, \$12,000,000.

14 United Nations Relief and Works Agency: For contri-
15 butions and expenditures authorized by section 407,
16 \$16,500,000.

17 North Atlantic Treaty Organization science program:
18 For contributions authorized by section 408 (a), \$1,200,000.

19 Ocean freight charges, United States voluntary relief
20 agencies: For payments authorized by section 409 (c),
21 \$2,000,000.

22 General administrative expenses: For expenses author-
23 ized by section 411 (b), ~~\$38,000,000~~ \$40,000,000.

24 Administrative and other expenses: For expenses au-
25 thorized by section 411 (c), \$8,000,000.

Atoms for peace: For assistance authorized by section 419, \$1,500,000.

Office of the Inspector General and Comptroller: Not to exceed \$1,000,000 of the funds appropriated in this title shall be available to carry out the provisions of section 533A of the Mutual Security Act of 1954, as amended.

CONTINGENCIES

President's special authority and contingency fund:
For assistance authorized by section 451 (b), \$150,000,000 \$250,000,000: *Provided*, That none of the funds appropriated in this paragraph shall be used for any project or activity for which an estimate has been submitted to Congress: *Provided*, That none of the funds appropriated in this paragraph may be used to finance contributions to the United Nations for a program in any country in Africa in excess of 40 per centum of the total contributions to the United Nations for such program.

Unobligated balances of funds heretofore made available under authority of the Mutual Security Act of 1954, as amended, and available as of June 30, 1960, are, except as otherwise provided, hereby continued available for the fiscal year 1961, for the same general purposes for which appropriated.

Funds appropriated under each paragraph of this title (other than appropriations under the head of military assist-

1 *ance), including unobligated balances continued available,*
2 *and amounts certified pursuant to section 1311 of the Sup-*
3 *plemental Appropriation Act, 1955, as having been obligated*
4 *against appropriations heretofore made for the same general*
5 *purpose as such paragraph, which amounts are hereby con-*
6 *tinued available (except as may otherwise be specified in this*
7 *title) for the same period as the respective appropriations in*
8 *this title for the same general purpose, may be consolidated*
9 *in one account for each paragraph.*

10 CORPORATION

11 The Development Loan Fund is hereby authorized to
12 make such expenditures within the limits of funds available
13 to it, and in accord with law, and to make such contracts
14 and commitments without regard to fiscal year limitations
15 as provided in section 104 of the Government Corporation
16 Control Act, as amended, as may be necessary in carrying
17 out the programs set forth in the budget for the current fiscal
18 year for such corporation, except as hereinafter provided:

19 DEVELOPMENT LOAN FUND

20 For advances to the Development Loan Fund as au-
21 thorized by section 203, ~~\$550,000,000~~ \$700,000,000, to re-
22 main available until expended.

LIMITATION ON ADMINISTRATIVE EXPENSES, DEVELOP-
MENT LOAN FUND

Not to exceed ~~\$1,800,000~~ \$2,150,000 of the funds of the Development Loan Fund shall be available during the current fiscal year for administrative expenses of the Fund covering the categories set forth in the current fiscal year budget estimates for such expenses: *Provided, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Fund or in which it has an interest as a result of its financing activities, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof.*

GENERAL PROVISIONS

SEC. 101. None of the funds herein appropriated shall be used to carry out any provision of chapter II, III, or IV of the Mutual Security Act of 1954, as amended, with respect to any project or activity, or in any country, during any period when more than thirty-five days have elapsed between the written request (delivered to the office of the head of

1 the appropriate department or agency) for, and the furnish-
2 ing of, any document, paper, communication, audit, review,
3 finding, recommendation, report, or other material in pos-
4 session or control of such department or agency relating to
5 the expenditure of funds with respect to such project or
6 activity or in such country, to the General Accounting Office
7 or any committee of the Congress, or any duly authorized
8 subcommittee thereof, charged with considering legislation
9 or appropriations for or expenditures of such department or
10 agency.

11 *SEC. 101. (a) Within sixty days following the date of*
12 *enactment of this Act, the President shall transmit to the*
13 *Committee on Appropriations of the Senate and the Com-*
14 *mittee on Appropriations of the House of Representatives a*
15 *report containing a full and complete revision of the data*
16 *presented to such committees in justification of appropriations*
17 *requested for the Mutual Security program for the fiscal year*
18 *1961, showing any changes in such program approved sub-*
19 *sequent to such presentation, including changes necessary to*
20 *reflect actual appropriations for the program.*

21 *(b) Within thirty days following the approval of any*
22 *change in the Mutual Security program for the fiscal year*
23 *1961, which will result in furnishing assistance of a kind,*
24 *for a purpose, in an area, or in an amount, different from*
25 *that described in the report transmitted under subsection (a),*

1 and which involves \$1,000,000 or more, or 5 per centum
2 of the amount appropriated under any paragraph of this title
3 whichever is the lesser, the President shall transmit to the
4 Committee on Appropriations of the Senate and the Com-
5 mittee on Appropriations of the House of Representatives
6 a full and complete report of such change and the reasons
7 therefor.

8 (c) This section shall not apply to programs authorized
9 by section 451 of the Mutual Security Act of 1954, as
10 amended.

11 (d) None of the funds herein appropriated shall be used
12 to carry out any provision of chapter II, III, or IV of the
13 Mutual Security Act of 1954, as amended, in any country
14 or with respect to any project or activity, after the expiration
15 of the thirty-five-day period which begins on the date the
16 General Accounting Office or any committee of the Congress,
17 or any duly authorized subcommittee thereof, charged with
18 considering legislation or appropriations for, or expenditures
19 of, the International Cooperation Administration, has de-
20 livered to the Office of the Director of the International Co-
21 operation Administration a written request that it be furnished
22 any document, paper, communication, audit, review, finding,
23 recommendation, report, or other material relating to the ad-
24 ministration of such provision by the International Coopera-

1 *tion Administration in such country or with respect to such*
2 *project or activity, unless and until there has been furnished*
3 *to the General Accounting Office, or to such committee or*
4 *subcommittee, as the case may be, (1) the document, paper,*
5 *communication, audit, review, finding, recommendation, re-*
6 *port or other material so requested, or (2) a certification by*
7 *the President that he has forbidden its being furnished pur-*
8 *suant to such request, and his reason for so doing.*

9 SEC. 102. None of the funds herein appropriated for
10 Defense Support, the Development Loan Fund, Special
11 Assistance, or the President's Special Authority and Contin-
12 gency Fund shall be used to finance the construction of any
13 new flood control, reclamation, or other water or related land
14 resource project or program which has not met the standards
15 and criteria used in determining the feasibility of flood con-
16 trol, reclamation and other water and related land resource
17 programs and projects proposed for construction within the
18 United States of America as per circular A-47 of the Bureau
19 of the Budget, dated December 31, 1952 does not meet a
20 feasibility ratio of related programs in the United States
21 based on the engineering information available at the time the
22 project is being considered.

23 SEC. 103. Obligations made from funds herein appro-
24 priated for engineering and architectural fees and services

1 to any individual or group of engineering and architectural
2 firms on any one project in excess of \$25,000 shall be re-
3 ported to the Committees on Appropriations of the Senate
4 and House of Representatives at least twice annually.

5 SEC. 104. Except for the appropriations entitled "Pres-
6 ident's special authority and contingency fund" and "Devel-
7 opment Loan Fund", not more than 20 per centum of any
8 appropriation item made available by this title shall be obli-
9 gated and/or reserved during the last month of availability.

10 SEC. 105. None of the funds herein appropriated nor
11 any of the counterpart funds generated as a result of assist-
12 ance hereunder or any prior Act shall be used to pay
13 pensions, annuities, retirement pay or adjusted service com-
14 pensation for any persons heretofore or hereafter serving
15 in the armed forces of any recipient country.

16 ~~SEC. 106. None of the funds herein appropriated shall~~
17 ~~be used to carry out the provisions of section 203(e) of the~~
18 ~~Mutual Security Act of 1960.~~

19 SEC. 107. None of the funds herein appropriated shall
20 be used to carry out the provisions of section 421 of the
21 Mutual Security Act of 1954, as amended.

22 SEC. 108. None of the funds herein appropriated shall
23 be used to finance any of the activities under the Investment
24 Incentive Fund Program.

1 ~~SEC. 109.~~ None of the funds herein appropriated shall
2 be used to carry out the provisions of chapter VIII of the
3 Mutual Security Act of 1960.

4 ~~SEC. 110~~ 106. The Congress hereby reiterates its op-
5 position to the seating in the United Nations of the Com-
6 munist China regime as the representative of China, and it
7 is hereby declared to be the continuing sense of the Congress
8 that the Communist regime in China has not demonstrated
9 its willingness to fulfill the obligations contained in the
10 Charter of the United Nations and should not be recognized
11 to represent China in the United Nations. In the event
12 of the seating of representatives of the Chinese Communist
13 regime in the Security Council or General Assembly of the
14 United Nations, the President is requested to inform the
15 Congress insofar as is compatible with the requirements of
16 national security, of the implications of this action upon the
17 foreign policy of the United States and our foreign relation-
18 ships, including that created by membership in the United
19 Nations, together with any recommendations which he may
20 have with respect to the matter.

21 ~~SEC. 111~~ 107. It is the sense of Congress that any at-
22 tempt by foreign nations to create distinctions because of their
23 race or religion among American citizens in the granting of
24 personal or commercial access or any other rights otherwise

1 available to United States citizens generally is repugnant to
2 our principles; and in all negotiations between the United
3 States and any foreign state arising as a result of funds
4 appropriated under this title these principles shall be applied
5 as the President may determine.

6 ~~SEC. 112. None of the funds contained in title I of this~~
7 ~~Act may be used to enter into any contract with any person,~~
8 ~~organization, company, or concern or any of its affiliates who~~
9 ~~has offered or who offers to provide compensation to an~~
10 ~~employee of the International Cooperation Administration~~
11 ~~or who provides compensation to any former employee of~~
12 ~~the International Cooperation Administration whose annual~~
13 ~~salary exceed \$5,000 and who has left employment with~~
14 ~~the International Cooperation Administration within two~~
15 ~~years of the date of employment with said person, organiza-~~
16 ~~tion, company, or concern, or any of its affiliates.~~

17 *SEC. 108. The appropriations and authority with respect*
18 *thereto in this Act shall be available from July 1, 1960, for*
19 *the purposes provided in such appropriations and authority.*
20 *All obligations incurred during the period between June 30,*
21 *1960, and the date of enactment of this Act in anticipation*
22 *of such appropriations and authority are hereby ratified and*
23 *confirmed if in accordance with the terms hereof.*

1 TITLE II—DEPARTMENT OF THE ARMY—

2 CIVIL FUNCTIONS

3 RYUKYU ISLANDS, ADMINISTRATION

4 For expenses, not otherwise provided for, necessary to
5 meet the responsibilities and obligations of the United States
6 in connection with the government of the Ryukyu Islands,
7 including, subject to such authorizations and limitations as
8 may be prescribed by the Secretary of the Army, tuition,
9 travel expenses, and fees incident to instruction in the United
10 States or elsewhere of such persons as may be required to
11 carry out the provisions of this appropriation; travel ex-
12 penses and transportation; services as authorized by section
13 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of indi-
14 viduals not to exceed ten in number; not to exceed
15 ~~\$3,000~~ \$4,000 for contingencies for the High Commissioner
16 to be expended in his discretion; translation rights, photo-
17 phic work, educational exhibits, and dissemination of informa-
18 tion, including preview and review expenses incident thereto;
19 hire of passenger motor vehicles and aircraft; purchase of
20 three passenger motor vehicles for replacement only; con-
21 struction, repair, and maintenance of buildings, utilities, facil-
22 ities, and appurtenances; and such supplies, commodities, and
23 equipment as may be essential to carry out the purposes of
24 this appropriation; ~~\$5,250,000~~ \$7,704,000, of which not to
25 exceed ~~\$1,633,000~~ \$1,744,000 shall be available for ad-

1 ministrative and information expenses: *Provided*, That
2 the general provisions of the Appropriation Act for the cur-
3 rent fiscal year for the military functions of the De-
4 partment of the Army shall apply to expenditures made
5 from this appropriation: *Provided further*, That expendi-
6 tures from this appropriation may be made outside
7 continental United States when necessary to carry out
8 its purposes, without regard to sections 355, 3648, and
9 3734, Revised Statutes, as amended, section 4774 (d) of
10 title 10, United States Code, civil service or classification
11 laws, or provisions of law prohibiting payment of any person
12 not a citizen of the United States: *Provided further*, That
13 expenditures may be made hereunder for the purposes of
14 economic rehabilitation in the Ryukyu Islands in such
15 manner as to be consistent with the general objectives of
16 titles II and III of the Mutual Security Act of 1954, and
17 in the manner authorized by sections 505 (a) and 522 (e)
18 thereof: *Provided further*, That funds appropriated here-
19 under may be used, insofar as practicable, and under such
20 rules and regulations as may be prescribed by the Secretary
21 of the Army to pay ocean transportation charges from
22 United States ports, including territorial ports, to ports
23 in the Ryukyus for the movement of supplies donated to,
24 or purchased by, United States voluntary nonprofit relief
25 agencies registered with and recommended by the Advisory

1 Committee on Voluntary Foreign Aid or of relief packages
2 consigned to individuals residing in such areas: *Provided*
3 *further*, That under the rules and regulations to be pre-
4 scribed, the Secretary of the Army shall fix and pay a uni-
5 form rate per pound for the ocean transportation of all re-
6 lief packages of food or other general classification of com-
7 modities shipped to the Ryukyus regardless of methods of
8 shipment and higher rates charged by particular agencies of
9 transportation, but this proviso shall not apply to shipments
10 made by individuals to individuals: *Provided further*, That
11 the President may transfer to any other department or
12 agency any function or functions provided for under this
13 appropriation, and there shall be transferred to any such
14 department or agency without reimbursement and without
15 regard to the appropriation from which procured, such prop-
16 erty as the Director of the Bureau of the Budget shall de-
17 termine to relate primarily to any function or functions so
18 transferred.

19 TITLE III—EXPORT-IMPORT BANK OF
20 WASHINGTON

21 The Export-Import Bank of Washington is hereby au-
22 thorized to make such expenditures within the limits of funds
23 and borrowing authority available to such corporation, and in
24 accord with law, and to make such contracts and commit-
25 ments without regard to fiscal year limitations as provided by

1 section 104 of the Government Corporation Control Act, as
2 amended, as may be necessary in carrying out the programs
3 set forth in the budget for the current fiscal year for such
4 corporation, except as hereinafter provided:

5 LIMITATION ON ADMINISTRATIVE EXPENSES, EXPORT-
6 IMPORT BANK OF WASHINGTON

7 Not to exceed \$2,675,000 (to be computed on an ac-
8 crual basis) of the funds of the Export-Import Bank of
9 Washington shall be available during the current fiscal year
10 for administrative expenses of the Bank, including services as
11 authorized by section 15 of the Act of August 2, 1946 (5
12 U.S.C. 55a) at rates not to exceed \$75 per diem for indi-
13 viduals, purchase of one passenger motor vehicle (for re-
14 placement only) at not to exceed ~~\$6,250~~ \$6,250, and not to
15 exceed \$9,000 for entertainment allowances for members of
16 the Board of Directors; and, in addition, not to exceed the
17 equivalent of \$200,000 of the aggregate amount of
18 foreign currencies made available to the Export-Import
19 Bank for loans pursuant to the Agricultural Trade De-
20 velopment and Assistance Act of 1954, as amended, shall
21 be available during the current fiscal year for expenses in-
22 curred by the Export-Import Bank incident to such loans:
23 *Provided*, That fees or dues to international organizations of
24 credit institutions engaged in financing foreign trade and
25 necessary expenses (including special services performed on

1 a contract or fee basis, but not including other personal serv-
2 ices) in connection with the acquisition, operation, mainte-
3 nance, improvement, or disposition of any real or personal
4 property belonging to the Bank or in which it has an in-
5 terest, including expenses of collections of pledged collateral,
6 or the investigation or appraisal of any property in respect
7 to which an application for a loan has been made, shall be
8 considered as nonadministrative expenses for the purposes
9 hereof.

10

TITLE IV

11 SEC. 401. This Act may be cited as the "Mutual Se-
12 curity and Related Agencies Appropriation Act, 1961".

Passed the House of Representatives June 17, 1960.

Attest:

RALPH R. ROBERTS,

Clerk.

Calendar No. 1921

86TH CONGRESS
2^D SESSION

H. R. 12619

[Report No. 1849]

AN ACT

Making appropriations for Mutual Security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

JUNE 18, 1960

Read twice and referred to the Committee on
Appropriations

AUGUST 19, 1960

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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Issued
For actions of

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Aug. 23, 1960
86th-2d, No. 140

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HIGHLIGHTS: Both Houses received President's message on sugar. Senate committee reported bill to extend Mexican farm labor program. Senate began debate on mutual security appropriation bill. Senate committee reported nomination of Stephens to be CCC Board member. House received conference report on State-Justice appropriation bill.

SENATE

1. SUGAR. Both Houses received the President's message requesting that the Sugar Act be extended beyond the present termination date of March 31, 1961, and requesting authority to purchase from any foreign countries without regard to allocation the additional 322,000 short tons of sugar which was allocated to the Dominican Republic under the July 1960 amendment of the Sugar Act; to S. Finance and H. Agriculture Committees. pp. 16015, 16039-40
2. FARM LABOR. The Agriculture and Forestry Committee reported with amendment H.R. 12759, to extend the Mexican farm labor program (p. 15924). The "Daily Digest" states that the bill was amended so as to provide for a 6-month extension of the program (p. D702). (S. Rept. 1901).
3. MUTUAL SECURITY APPROPRIATION BILL, 1961. Began debate on this bill H. R. 12619. Agreed to the committee amendments en bloc so that the bill as amended could be

considered as original text for purposes of further amendment. pp. 16015, 16017-8

As reported by the Appropriations Committee, the bill includes items as follows: Provides \$172 million for technical cooperation, \$256 million for special assistance, and \$2 million for payment of ocean freight charges to move supplies donated to and by U. S. voluntary agencies. Provides that none of the funds appropriated for Defense Support, the Development Loan Fund, Special Assistance, or the President's Special Authority and Contingency Fund shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which does not meet a feasibility ratio of related programs in the U. S. based on the engineering information available at the time the project is being considered. Deletes a House provision which would prohibit the use of any funds appropriated for loans in underdeveloped nations to associations of operators of small farms for the improvement of agricultural methods and techniques. Deletes a House provision which would prohibit the use of funds appropriated for a study of the need for a Point Four Youth Corps to train young people to serve abroad in programs of technical cooperation. Deletes a House provision directed against delays in providing documents at the request of GAO.

Regarding the use of foreign currencies for various programs, the committee report states as follows:

"Various provisions of law authorize the use of foreign currencies for special programs without charge to agency appropriations. In many countries this results in a reduction in currencies that might otherwise have been available to sell to agencies to meet their regular local expenses. This has the same effect on the Treasury as spending dollars for those specially authorized programs.

"It was proposed by the President in the budget for fiscal year 1961 that U. S. agency foreign currency programs be covered by appropriations commencing with fiscal year 1961. This change will not alter total appropriations or expenditures but will increase the appropriations of the agency using the currency so as to give an accurate figure and in the case of Public Law 480 foreign currencies decrease those of the Commodity Credit Corporation.

"The committee feels that the recommendations in this regard in the 1961 budget are sound and desirable and insofar as possible it is intended the committee will follow the procedure outlined in the budget."

4. NOMINATION. The Agriculture and Forestry Committee reported the nomination of Carl J. Stephens, General Counsel of the Department, to be a member of the Board of Directors of CCC. p. 15924
5. OLD-AGE ASSISTANCE. By a vote of 91 to 2, passed with amendments H. R. 12580, to provide Federal grants to States for medical care for aged individuals of low income. pp. 15936-56, 15963-16015
6. LANDS; MINERALS. The Interior and Insular Affairs Committee reported with amendments S. 1670, to provide for the granting of mineral rights in certain homestead lands in Alaska (S. Rept. 1905). p. 15924
7. LANDS; RESEARCH. The Agriculture and Forestry Committee reported with amendment S. 3339, to authorize the Secretary of Agriculture to transfer 160 acres of the present U. S. Beef Cattle Research Station at Fort Reno, Okla., to the Secretary of the Army for use as a national cemetery (S. Rept. 1902). p. 15924
8. WATERSHEDS. The Agriculture and Forestry Committee approved the following watershed projects; Kickapoo Creek, Tex., Leatherwood Creek, Va.; Long Marsh, Md.; and Timber Creek, Okla. p. D702

pand their present programs of medical care for the aged.

Mr. President, it was my sincere hope that the welfare clause of the Constitution would not be further expanded to the extent proposed by H.R. 12580.

SUGAR ALLOCATIONS TO DOMINICAN REPUBLIC—MESSAGE FROM THE PRESIDENT

Mr. BYRD of Virginia. Mr. President, the President of the United States has transmitted to the Senate today a message relative to sugar allocations to the Dominican Republic. The message, I am informed, has been read in the House of Representatives and referred. I therefore ask unanimous consent that the President's message be printed in the RECORD, without reading, and referred to the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

The President's message is as follows:

To the Congress of the United States:

The meeting of Foreign Ministers of the American Republics at San Jose, Costa Rica, has just completed its deliberations on the charges made against the Dominican Republic by the Government of Venezuela, as well as on the flagrant violation of human rights by the Trujillo regime. The Foreign Ministers voted unanimously to condemn the Dominican acts of aggression and intervention against Venezuela, culminating in the attempt on the life of the President of that country, and resolved to (1) break diplomatic relations with the Dominican Republic, and (2) interrupt partially economic relations with that country beginning with a suspension of trade in arms and implements of war, with the provision that the Council of the Organization of American States shall study the feasibility and desirability of extending this trade suspension to other articles. The United States joined with the other American Republics in approving these measures.

Some 322,000 short tons of the sugar not being purchased from Cuba pursuant to the reduction in the Cuban quota is, under the July amendment to the Sugar Act, to be allocated to the Dominican Republic. This allocation is in addition to the Dominican Republic's 1960 quota amounting to approximately 130,000 tons. Since total imports of sugar from the Dominican Republic in 1959 amounted only to about 84,000 tons, the statutory allocation would give that country a large sugar bonus seriously embarrassing to the United States in the conduct of our foreign relations throughout the hemisphere.

In view of the foregoing considerations, the Government should have discretion to purchase elsewhere the quantity apportioned to the Dominican Republic pursuant to the July amendment to the Sugar Act. I, therefore, request legislation providing that amounts which would be purchased in the Dominican Republic pursuant to the July amendment need not be purchased there, but

may be purchased from any foreign countries without regard to allocation.

I would also remind the Congress that the Sugar Act's present termination date of March 31, 1961—only 3 months after the reconvening of Congress next January—could cause a serious gap in supplies, because it often takes as much as 1 or 2 months after purchase for sugar from distant areas to reach our refineries. Thus an extension of the Sugar Act beyond its present termination date is necessary at this session in order to protect consumers in the United States against the possibility of unreasonable prices for sugar next February and March.

I request that the Congress give urgent consideration to and take favorable action on the proposed legislation.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, August 23, 1960.

MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATIONS, 1961

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Order No. 1921, H.R. 12619.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 12619) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the time be limited to 30 minutes on amendments, and 4 hours on the bill, in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the unanimous-consent agreement is entered.

The unanimous-consent agreement, as later reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on August 24, 1960, at the conclusion of routine morning business, during the further consideration of the bill, H.R. 12619, the Mutual Security Appropriation Act for 1961, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the

passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

"I AIM AT THE STARS"—MOTION PICTURE

Mr. SPARKMAN. Mr. President, recently I was privileged, along with my fellow Senator from Alabama, LISTER HILL, to sponsor a congressional preview showing of an unusual and important motion picture "I Aim at the Stars." This film is the story of Dr. Wernher von Braun, an adopted son of Alabama, whose work is so vital to our stake in the race into space. This film was made by Charles H. Schneer and will be distributed throughout the world by Columbia Pictures beginning in late August.

"I Aim at the Stars" is the first motion picture ever produced about a living man whose career is still in the ascendancy. It is, in many ways, the story of this generation, for it begins between the two World Wars, embraces World War II, the Korean conflict, and the current race between the United States and Russia to be the first to conquer space.

It is probably one of the most forthright stories ever brought to the screen about a living person. And I believe it is safe to say that not many stories in motion picture history have dared be as frank, forthright, and blunt as this.

Because of the story this motion picture tells and because of the manner in which it is told, I believe that every American should see it, and I hope that millions of people in other lands will see it also. Not only is "I Aim at the Stars" a well documented account of the life of a world-famous figure and a film filled with science fact rather than science fiction, but it is also a human document, expressing in personal terms the struggle of man to advance into the unknowns that still face him.

It is to the credit of Mr. Schneer that he undertook to make this film. Dr. Von Braun is a public figure not untouched by controversy. From the very moment of the decision to bring him to this country after World War II, he has been the subject of much argument. But the picture "I Aim at the Stars" does not gloss over any of the facts. Starting with Von Braun's childhood and his youthful infatuation with rocketry, it fully covers those years in which he was chief of the group of German scientists who developed the V-2 weapon and his membership in the Nazi Party.

The film also delineates fully the great decision that had to be made at the conclusion of the war by our military authorities on the disposition of the German rocket and missile experts. It clearly shows the swiftness and the firmness with which men of decision moved to corral the Von Braun group and offer them a working haven in the United States on a trial basis. The picture also shows, as we now well know, how that gamble paid off, not only to our great advantage in the race for space, but in gaining us a large number of good and valuable citizens who might otherwise

have been forced behind the Iron Curtain.

Finally, this motion picture "I Aim at the Stars" tells the story of a man and his dedication in such universal human terms, in his contacts with his family and his coworkers, and even those who oppose him, that it will have strong appeal to men and women everywhere as a story alone, during the enjoyment of which they will also learn much of value about important steps on man's road of progress. It is to the credit of Mr. Schneer, J. Lee Thompson, the director, Curt Jurgens, who portrays Von Braun, Victoria Shaw, who is seen as Mrs. von Braun, and all of the other actors, that they accomplish this.

Appreciation is also due the Department of Defense and the Army for the fullness of the cooperation they extended to the producers of the picture. Their help aided in assuring the authenticity of many of the events in the film, including scenes depicting Dr. von Braun's work at Redstone Arsenal in Huntsville, Ala., and other scenes showing the firing of rockets at Cape Canaveral.

One of the aspects of Von Braun's life the picture does not show, but of which we in Alabama are quite proud, is the way in which he and his fellow scientists have become outstanding and useful citizens. Von Braun and his cohorts from Germany have contributed much of their time, their collective energies and talents, as well as their zeal to the progress of Huntsville, Ala., as an outstanding American community. They have also had a large share in forging the reputation of Huntsville as "Rocket City," a city and an area that has and will continue to be one of the Nation's guarantees to the peace and security of the world.

I found "I Aim at the Stars" a truly inspirational experience, and trust that others will undergo similar reactions in viewing it. Among the inspiring aspects are the dedication of Dr. von Braun to reach his goal of the stars over every obstacle; his devotion to basic principals even when forced to do the bidding of the masters of Nazi Germany; his wonderful relationship with his wife; his continuing devotion to his coworkers. Equally inspiring is the development of Dr. von Braun and his fellow ex-Germans and their families as outstanding Americans, a further proof that the United States is able to accept people who have lived under the most foreign of doctrines and nurture them so that in a few short years they understand and accept our ideals of liberty and freedom and are accepted by their neighbors, as well as the law, as full citizens.

This can well be one of the most important films of our time, for it is really the story of tomorrow, based as it is on the career of one of the world's greatest rocket scientists. That small group of men may well hold, for good or evil, the destiny of our world in their hands, depending on whether rockets and missiles are to be developed for peace or for war.

Mr. Charles Schneer must be commended for his vision and his professional skill in undertaking this production. Columbia Pictures deserves every

success in its distribution of this outstanding picture. The U.S. Army has performed notable services in lending that degree of cooperation which has helped bring about a screen must for everyone.

CURRENT STATUS OF ESCAPE CLAUSE APPLICATIONS BEFORE THE U.S. TARIFF COMMISSION AS OF JULY 1, 1960

Mr. SPARKMAN. Mr. President, there has been comment from time to time as to the situation of the textile industry, and particularly in connection with the recent applications by those interested in the textile industry in the United States for the escape clause by the U.S. Tariff Commission that have been turned down.

I think it will be of interest to those who may be concerned with this question, to review the current status of the escape clause applications before the Tariff Commission as of July 1, 1960.

I ask unanimous consent that the tabulation be printed in the RECORD at this point.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

CURRENT STATUS OF ESCAPE CLAUSE APPLICATIONS BEFORE THE U.S. TARIFF COMMISSION (AS OF JULY 1, 1960)

1. Applications accepted by the Commission, 110.
2. Applications dismissed by the Commission at applicant's request, six.
3. Investigations terminated by Commission without formal findings, eight.
4. Investigations currently pending (barbed wire, cast-iron fittings, horseradish, hatters' fur, binding and baler twine, hard fiber cords and twine), six.
5. Investigations completed by the Commission, 90.
 - 5a. Investigations in which the Commission decided against escape action (includes 14 cases dismissed under Executive order procedures prior to 1951 statute), 57.
 - 5b. Investigations in which the Commission's vote was evenly split and dual reports sent to the President, five.
 - 5c. Investigations in which the Commission voted in favor of escape action, 28.
6. Presidential action on Commission's escape clause recommendations in favor of escape action, 33.
 - 6a. President invoked escape clause (women's fur felt hats and hat bodies, October 30, 1950; hatters' fur, January 5, 1952; dried figs, August 16, 1952; alsike clover seed, June 30, 1954; watches (2d investigation), July 27, 1954; bicycles (2d investigation), August 18, 1955; toweling, of flax, hemp, or ramie, June 25, 1956; spring clothespins (4th investigation), November 9, 1957; safety pins (2d investigation), November 29, 1957; clinical thermometers, April 21, 1958; lead and zinc (2d investigation), September 22, 1958; stainless-steel table flatware, October 20, 1959, 12.
 - 6b. President declined to invoke the escape clause, garlic (1st investigation), July 21, 1952; watches (1st investigation), August 14, 1952; tobacco pipes and bowls, November 10, 1953; scissors and shears (1st investigation), May 11, 1954; groundfish fillets (2d investigation), July 2, 1954; lead and zinc (1st investigation), August 20, 1954; handmade blown glassware (1st investigation), September 9, 1954; spring clothespins (3d investigation), November 20, 1954; screen-printed silk scarves, December 23,

1954; wood screws (3d investigation), December 23, 1954; fluorspar (2d investigation), March 20, 1956; para-aminosalicylic acid, August 10, 1956; ferrocerium (lighter flints), November 13, 1956; groundfish fillets (3d investigation), December 19, 1956; velvet fabrics, January 22, 1957; straight pins (2d investigation), March 29, 1957; violins and violas, March 30, 1957; umbrella frames, September 30, 1958; tartaric acid, March 14, 1959; cream of tartar, March 14, 1959, 20.

6c. President action pending (cotton typewriter ribbon cloth), one.

NEW YORK TIMES PAYS TRIBUTE TO AMBASSADOR LODGE FOR HIS WORK AT THE UNITED NATIONS

Mr. CASE of New Jersey. Mr. President, a number of editorials all across the Nation have paid tribute this week to the effective and vigorous representation of Ambassador Henry Cabot Lodge in the United Nations. His decision to resign as of September 3 in order to campaign for the Vice-Presidency has served to emphasize the many contributions to world peace and understanding of this authentic "voice of America" in the U.N.

Time after time, Ambassador Lodge has quickly and ably rebutted Soviet distortions with American facts. He has countered Communist misstatements with free world truth. As a result, his own stature and that of the U.N. and the free world have been enhanced.

Ambassador Lodge's unexcelled knowledge of diplomatic techniques and Soviet talents will serve him and his Nation well whatever the future may hold in store for him. I am pleased to have this opportunity to salute him for a job well done in the U.N. and to wish him well in the days ahead.

I also wish to call to the attention of the Senate an editorial which appeared in the New York Times of August 21, concerning Ambassador Lodge's resignation. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 21, 1960]

THE LODGE RESIGNATION

Henry Cabot Lodge's resignation as U.S. Representative to the United Nations may or may not mean that he is entering into a wider field of activity. The voters will decide that question next November. It may be said, however, with complete nonpartisanship, that Mr. Lodge has done the right thing. He could not long continue at the U.N. in the double role of a candidate on a major party ticket and a diplomat representing all the people.

There can be no question that he has indeed most ably represented all the people in his 7½ years at the U.N. He has grown in stature, he has profited from his often arduous experience, and he has fully met the U.N. mission's relentless demands on time, strength, and patience. In virtue of his position, he has been a member of the President's Cabinet and has contributed to the formation of the Eisenhower foreign policy. It is, in a way, too bad that win or lose this phase of his career is over.

The White House announcement that James J. Wadsworth, Deputy Ambassador under Mr. Lodge, will succeed him was as welcome as it was expected. Mr. Wadsworth also labored wisely and prodigiously, especially in his long siege in Geneva during the

nuclear negotiations with the Russians. Every informed person of whatever political faith will wish Mr. Wadsworth well, be his term long or short.

AUTHORIZATION FOR COMMITTEE ON THE JUDICIARY TO MEET TO- MORROW AT 2:30 P.M.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that tomorrow at 2:30 p.m., notwithstanding the session of the Senate, the Judiciary Committee may be permitted to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATIONS, 1961

The Senate resumed the consideration of the bill (H.R. 12619) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

Mr. HAYDEN. Mr. President, the mutual security appropriation bill, which is now before the Senate, recommends appropriations in the amount of \$3,989 million. This is an increase of \$399,304,000 over the House bill. However, it is \$292,650,000 under the original budget estimate sent to the Congress by the President plus the \$100 million budget estimate submitted by the President on August 17.

In view of the recent developments in Africa, the President requested this additional \$100 million in the contingency fund. The committee has approved the full amount but has attached to the language in the bill a provision stipulating that our financial contribution to any program in any country in Africa should not exceed 40 percent of the total contribution to the United Nations for such program.

Another major increase by the committee is in the Development Loan Fund, where \$150 million was added to the House bill to provide the full budget estimate of \$700 million for this fund.

The committee increased the amount for defense support by \$75 million and also increased the amount for special assistance by \$50 million.

The technical assistance program suffered a \$22 million reduction in the House of Representatives and the committee has restored this cut.

The bill, as it came to the Senate this year from the House, contained an unusually large number of objectionable language provisions. The committee, after taking detailed testimony on these provisions, has decided to eliminate all of them from the bill. The report is on the desk of each Senator and in addition to explaining all of the details of the increases made in the appropriations it explains the action of the committee on the language amendments to which I have referred.

Mr. President, I move that the committee amendments to the bill be agreed to en bloc and that the bill as thus amended be regarded for the purpose of amendment as original text; provided, that no point of order shall be considered to have been waived by reason of agreement to this order.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to.

The committee amendments agreed to en bloc are as follows:

Under the heading "TITLE I—MUTUAL SECURITY—MILITARY ASSISTANCE," on page 2, at the beginning of line 9, to strike out "\$23,000,000" and insert "\$25,000,000".

Under the subhead "ECONOMIC ASSISTANCE", on page 2, line 14, after "section 131 (b)", to strike out "\$600,000,000" and insert "\$640,000,000, and in addition for defense support for Spain, authorized by section 131(b), \$35,000,000, exclusive of technical cooperation."

On page 2, line 18, after "section 304", to strike out "\$150,000,000" and insert "\$172,000,000", and, after the amendment just above stated, to strike out the colon and "Provided, That no part of this appropriation shall be used to initiate any project or activity which has not been justified to the House of Representatives and the Senate".

On page 3, line 3, after "306(b)", to strike out "\$1,500,000" and insert "\$1,300,000".

On page 3, line 5, after "400(a)", to strike out "\$206,000,000" and insert "\$256,000,000", and at the beginning of line 6, to strike out "Provided, That no part of this appropriation shall be transferred by the International Cooperation Administration or the Department of State to the Benjamin Franklin Foundation, until a new agreement is entered into between the United States and the Benjamin Franklin Foundation which contains adequate financial and administrative controls for the protection of the Government of the United States".

On page 3, after line 12, to strike out: "Special assistance, special authorization: For assistance authorized by section 400(c) for hospital construction, the equivalent of \$1,500,000 in local currencies."

And in lieu thereof to insert: "Special assistance, special authorization: For assistance authorized by section 400(c) for hospital construction, \$1,500,000 to be used to purchase foreign currencies which the Department of the Treasury may determine to be excess to the normal requirements of the United States."

On page 3, line 22, after "405(a)", to strike out "\$10,000,000" and insert "\$6,700,000".

On page 4, line 11, after "405(d)", to strike out "\$3,500,000" and insert "\$3,350,000".

On page 4, line 23, after "411(b)", to strike out "\$38,000,000" and insert "\$40,000,000".

On page 5, after line 2, to strike out: "Office of the Inspector General and Comptroller: Not to exceed \$1,000,000 of the funds appropriated in this title shall be available to carry out the provisions of section 533A of the Mutual Security Act of 1954, as amended."

Under the subhead "CONTINGENCIES", on page 5, line 9, after "451(b)", to strike out "\$150,000,000" and insert "\$250,000,000", and in line 10, after the amendment just above stated, to strike out "Provided, That none of the funds appropriated in this paragraph shall be used for any project or activity for which an estimate has been submitted to Congress" and in lieu thereof, to insert "Provided, That none of the funds appropriated in this paragraph may be used to finance contributions to the United Nations for a program in any country in Africa in excess of 40 per centum of the total contributions to the United Nations for such program."

On page 5, after line 17, to insert: "Unobligated balances of funds heretofore made available under authority of the Mutual Security Act of 1954, as amended, and available as of June 30, 1960, are, except as otherwise provided, hereby continued available for the fiscal year 1961, for the same general purposes for which appropriated."

On page 5, after line 23, to insert: "Funds appropriated under each paragraph of this title (other than appropriations under the head of military assistance), including unobligated balances continued available, and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for the same general purpose as such paragraph, which amounts are hereby continued available (except as may otherwise be specified in this title) for the same period as the respective appropriations in this title for the same general purpose, may be consolidated in one account for each paragraph."

Under the subhead "DEVELOPMENT LOAN FUND", on page 6, line 21, after "203", to strike out "\$550,000,000" and insert "\$700,000,000".

Under the subhead "LIMITATION ON ADMINISTRATIVE EXPENSES, DEVELOPMENT LOAN FUND", on page 7, line 3, after the word "exceed", to strike out "\$1,800,000" and insert "\$2,150,000", and in line 7, after the word "expenses", to insert a colon and "Provided, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Fund or in which it has an interest as a result of its financing activities, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof."

Under the subhead "GENERAL PROVISIONS," on page 7, after line 16, to strike out:

"SEC. 101. None of the funds herein appropriated shall be used to carry out any provision of chapter II, III, or IV of the Mutual Security Act of 1954, as amended, with respect to any project or activity, or in any country, during any period when more than thirty-five days have elapsed between the written request (delivered to the office of the head of the appropriate department or agency) for, and the furnishing of, any document, paper, communication, audit, review, finding, recommendation, report, or other material in possession or control of such department or agency relating to the expenditure of funds with respect to such project or activity or in such country, to the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriations for or expenditures of such department or agency."

On page 8, after line 10, to insert: "SEC. 101. (a) Within sixty days following the date of enactment of this Act, the President shall transmit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a report containing a full and complete revision of the data presented to such committees in justification of appropriations requested for the Mutual Security program for the fiscal year 1961, showing any changes in such program approved subsequent to such presentation, including changes necessary to reflect actual appropriations for the program."

(b) Within thirty days following the approval of any change in the Mutual Security program for the fiscal year 1961, which will result in furnishing assistance of a kind, for a purpose, in an area, or in an amount, different from that described in the report transmitted under subsection (a), and which involves \$1,000,000 or more, or 5 per centum of the amount appropriated under any paragraph of this title whichever is the lesser, the President shall transmit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a full and complete report of such change and the reasons therefor.

(c) This section shall not apply to programs authorized by section 451 of the Mutual Security Act of 1954, as amended.

(d) None of the funds herein appropriated shall be used to carry out any provision of chapter II, III, or IV of the Mutual Security Act of 1954, as amended, in any country or with respect to any project or activity, after the expiration of the thirty-five-day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriations for, or expenditures of, the International Cooperation Administration, has delivered to the Office of the Director of the International Cooperation Administration a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material relating to the administration of such provision by the International Cooperation Administration in such country or with respect to such project or activity, unless and until there has been furnished to the General Accounting Office, or to such committee or subcommittee, as the case may be, (1) the document, paper, communication, audit, review, finding, recommendation, report or other material so requested, or (2) a certification by the President that he has forbidden its being furnished pursuant to such request, and his reason for so doing.

On page 10, line 14, after the word "which", to strike out "has not met the standards and criteria used in determining the feasibility of flood control, reclamation and other water and related land resource programs and projects proposed for construction within the United States of America as per circular A-47 of the Bureau of the Budget, dated December 31, 1952," and in lieu thereof to insert "does not meet a feasibility ratio of related programs in the United States based on the engineering information available at the time the project is being considered."

On page 11, after line 15, to strike out:

"Sec. 106. None of the funds herein appropriated shall be used to carry out the provisions of section 203(c) of the Mutual Security Act of 1960."

On page 11, after line 18, to strike out:

"Sec. 107. None of the funds herein appropriated shall be used to carry out the provisions of section 421 of the Mutual Security Act of 1954, as amended."

On page 11, after line 21, to strike out:

"Sec. 108. None of the funds herein appropriated shall be used to finance any of the activities under the Investment Incentive Fund Program."

At the top of page 12, to strike out:

"Sec. 109. None of the funds herein appropriated shall be used to carry out the provisions of chapter VIII of the Mutual Security Act of 1960."

On page 12, at the beginning of line 4, to change the section number from "110" to "106".

On page 12, at the beginning of line 21, to change the section number from "111" to "107".

On page 13, after line 5, to strike out:

"Sec. 112. None of the funds contained in title I of this Act may be used to enter into any contract with any person, organization, company, or concern or any of its affiliates who has offered or who offers to provide compensation to an employee of the International Cooperation Administration or who provides compensation to any former employee of the International Cooperation Administration whose annual salary exceed \$5,000 and who has left employment with the International Cooperation Administration within two years of the date of employment with said person, organization, company, or concern, or any of its affiliates."

On page 13, after line 16, to insert:

"Sec. 108. The appropriations and authority with respect thereto in this Act shall be available from July 1, 1960, for the purposes provided in such appropriations and authority. All obligations incurred during the period between June 30, 1960, and the date of enactment of this Act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms hereof."

Under the heading, "TITLE II—DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS—RYUKYU ISLANDS, ADMINISTRATION", on page 14, at the beginning of line 15, to strike out "\$3,000" and insert "\$4,000"; in line 24, after the word "appropriation", to strike out "\$5,250,000" and insert "\$7,704,000", and in line 25, after the word "exceed", to strike out "\$1,633,000" and insert "\$1,744,000".

Under the heading "TITLE III—EXPORT-IMPORT BANK OF WASHINGTON—LIMITATION ON ADMINISTRATIVE EXPENSES, EXPORT-IMPORT BANK OF WASHINGTON", on page 17, line 14, after the word "exceed", to strike out "\$6,250" and insert "\$6,250, and not to exceed \$9,000 for entertainment allowances for members of the Board of Directors".

CITIES AND HIGHWAYS

Mr. WILLIAMS of New Jersey. Mr. President, earlier today I introduced, for appropriate reference, a bill (S. 3877) to provide more effective coordination of the Federal-aid highway system in our metropolitan areas.

Mr. President, this proposed legislation is the outgrowth of more than a year of intensive concern with the problems of metropolitan transportation. Last March I introduced a bill to help improve mass transportation services in metropolitan areas, which I was happy to see the Senate pass. During its consideration, the importance of highways to the metropolitan transportation network and their tremendous impact on urban development became increasingly evident.

The bill is a more immediate result of a particular highway problem in New Jersey, which I believe is becoming increasingly typical of the highway problems now affecting urban communities across the Nation.

Mr. President, I was not a Member of the Senate in 1956 when the Federal-aid highway program was given its first real start with the help of the vigorous efforts of the junior Senator from Tennessee [Mr. GORE] and many others. But since arriving I have become impressed by several facts.

The first is that two-thirds of the population of the United States, or more than 100 million people, now live in fewer than 200 metropolitan complexes scattered across the country.

The second is that nearly 50 percent of the money being poured into the largest public works program ever undertaken will be spent in the urban areas. This will amount to about \$20 billion of the total allocated for the 41,000-mile system.

The third and most important point is that for good or ill these urban highway expenditures will have a profound effect on the face of our urban landscape for decades to come. As the forging of new railroad lines years ago determined, to a large extent, the shape of urban develop-

ment, so today will the new highways—but to a much greater degree.

This is a matter of immediate concern because, since 1956, roadbuilding has largely concentrated in rural and lightly populated areas. We are now on the verge of large-scale construction in the metropolitan areas.

But do we know what we are doing? Do we know what these urban highways are for?

Mr. President, I am afraid that there is strong evidence that we do not truly know what these roads are for.

At the risk of oversimplification, I would say that the prevailing view is that a road is an end in itself, that the first and only purpose of a road is to move people.

As a result we find that to relieve the appalling traffic congestion which afflicts all our metropolitan centers, we must build more roads without regard to the question whether the roads will merely intensify demand and thus congestion, without consideration of the economic efficiency of the expenditure, without regard to the effect on local budgets, without regard to the loss of tax ratable property, without regard to the effect on commercial diversification, without regard to the problems of parking facilities, and traffic control.

To put it another way, for what purpose do we build our very costly urban highways if the effect is to eliminate or drive out the attractions which caused the demand for access in the first place?

Mr. President, I think it is clear that we cannot continue to view roads as ends in themselves, as mere instruments of vehicular traffic only.

I believe we must start looking at the urban portions of the Federal-aid highway system as a means to an end, as a means of building better urban communities, an important and integral instrument for shaping a better America, town and country.

The Interstate Highway System is of course a major portion of the entire program, and a major part of the Interstate funds are being spent in urban areas. Yet we find the law requires that the Interstate System "shall be so located as to connect by routes, as direct as practicable, the principal metropolitan areas, cities, and industrial centers, to serve the national defense."

Nowhere is there any requirement that an interstate highway bend a mile or 2 miles or 3 miles to meet community needs and desires. The paramount considerations appear to be directness and cost.

In New Jersey a very bitter and deep-seated controversy has arisen over the proposed location of the East-West Freeway cutting through the three Oranges and Newark. The State highway department has recommended, and the local citizens are intensely in favor of, a depressed highway. All but one of the communities involved have comprehensive plans for the redevelopment of their respective areas which call for the highway to be depressed.

The Bureau of Public Roads, however, will only approve the plan and provide

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of Aug. 24, 1960
86th-2d, No. 141

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HIGHLIGHTS: Sens. Ellender and Eastland criticized President's proposal on sugar. House received this Department's proposal to amend and extend Sugar Act. Senate passed mutual security appropriation bill. Sen. Case, S. Dak., submitted wheat amendment, but action was postponed. House received conference report on Labor-HEW appropriation bill. Both Houses agreed to conference report on State-Justice appropriation bill. Rep. Santangelo criticized Mexican farm-labor program. Sen. Hickenlooper discussed bill to extend conservation reserve program.

SENATE

1. SUGAR. Sen. Ellender criticized the President's message requesting authority to purchase from other countries 322,000 short tons of sugar which has been allocated to the Dominican Republic, charged the State Department with "failure to permit the importation into the United States of some 322,000 tons of sugar from the Dominican Republic" and of ignoring "the system of priorities carefully created by the Congress," and stated that he would oppose any proposal to re-allocate this quota for the Dominican Republic. Sen. Eastland commended and supported the statement of Sen. Ellender. pp. 16174-86
2. MUTUAL SECURITY APPROPRIATION BILL, 1961. By a vote of 67 to 26, passed with amendments this bill, H. R. 12619 (pp. 16193-231). (See Digest 140 for items of interest to this Department.) Senate conferees were appointed (p. 16231). House conferees were appointed (p. 16285).

3. STATE-JUSTICE APPROPRIATION BILL, 1961. Both Houses agreed to the conference report on this bill, H. R. 11666, and acted on the one amendment in disagreement. This bill will now be sent to the President. pp. 16238-45, 16247-9
4. ACREAGE ALLOTMENTS; WHEAT. Sen. Ellender requested consideration of H. R. 12849, to protect farm and ranch operators making certain land-use changes under the Great Plains conservation program and the soil bank program against loss of cropland acreage and acreage allotments, but withdrew his request after Sen. Case, S. Dak., proposed to offer an amendment on wheat. Sen. Case explained that the proposed wheat amendment would fix wheat price supports at 77 percent of parity, reduce wheat acreage by 22 percent, and provide a payment in kind for wheat at 55 percent of the idle acres under the 22-percent reduction. pp. 16233-6
5. LANDS. Concurred in the House amendment to S. 2806, to revise the boundaries of the Coronado National Memorial and to authorize the repair and maintenance of an access road to the Memorial. This bill will now be sent to the President. pp. 16231-2
6. CONTRACTS. Concurred in the House amendment to S. 3487, to amend the "Anti-Kickback Statute" to extend it to all negotiated contracts. This bill will now be sent to the President. pp. 16236-7
7. MINERALS. Both Houses agreed to the conference report on H. R. 10455, to revise and simplify several provisions of the Mineral Leasing Act of 1920. This bill will now be sent to the President. pp. 16232-3, 16249-50
8. IMPORTS. The Finance Committee voted to report (but did not actually report) without amendment H. R. 12659, to suspend import duties on heptanoic acid for 3 years. p. D710
9. FARM CREDIT. Sen. Humphrey stated that "one of the pressing needs of modern-day agriculture is the expansion and improvement of the farm-credit facilities," and inserted a letter from the president of the Minn. Farmers Union favoring expansion of farm-credit facilities. pp. 16227-8
10. COMMITTEE ASSIGNMENTS. Sen. Burdick was assigned to the Interior and Insular Affairs Committee and Sen. Martin was excused from further service on the Committee, and Sen. Young, N. Dak., was assigned to the Post Office and Civil Service Committee. p. 16232
11. LEGISLATIVE PROGRAM. S. 3625, to establish a Wabash Basin Interagency Water Resources Commission, was made the unfinished business (pp. 16245-6). Sen. Johnson announced that the Calendar will be called Thurs., Aug. 25 (p. 16246).

HOUSE

12. SURPLUS COMMODITIES. The Agriculture Committee reported without amendment S. 3146, to authorize CCC to donate dairy products and other agricultural commodities for use in home economics courses (H. Rept. 2139). p. 16328
13. LANDS. The Agriculture Committee reported without amendment H. R. 12491, to authorize the Secretary of Agriculture to convey certain lands to Fremont County, Wyo. (H. Rept. 2138). p. 16328
14. LABOR-HEW APPROPRIATION BILL, 1961. Received the conference report on this bill, H. R. 11390 (H. Rept. 2152). This report provides \$1,404,100 as proposed by the Senate for the Mexican farm labor program rather than the \$1,344,100 as pro-

86TH CONGRESS
2D SESSION

H. R. 12619

IN THE SENATE OF THE UNITED STATES

AUGUST 24, 1960

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for Mutual Security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1961, namely:

TITLE I—MUTUAL SECURITY

FUNDS APPROPRIATED TO THE PRESIDENT

8 For expenses necessary to enable the President to carry
9 out the provisions of the Mutual Security Act of 1954, as

1 amended, to remain available until June 30, 1961, unless
2 otherwise specified herein, as follows:

3 **MILITARY ASSISTANCE**

4 For expenses as authorized by section 103 (a) of the
5 Mutual Security Act of 1954, as amended, necessary to
6 enable the President to carry out the purposes of chapter I
7 of such Act (including administrative expenses as authorized
8 by section 103 (b) of such Act, which shall not exceed
9 ~~(1)\$23,000,000~~ \$25,000,000 for the current fiscal year, and
10 purchase for replacement only of passenger motor vehicles
11 for use outside the United States), \$1,800,000,000.

12 **ECONOMIC ASSISTANCE**

13 Defense support: For assistance authorized by section
14 131 (b), ~~(2)\$600,000,000~~ \$640,000,000~~(3)~~, and in addi-
15 tion for defense support for Spain, authorized by section
16 131(b), \$35,000,000, exclusive of technical cooperation.

17 Technical cooperation, general authorization: For assist-
18 ance authorized by section 304, ~~(4)\$150,000,000~~ \$172,-
19 000,000 ~~(5)~~: *Provided*, That no part of this appropriation
20 shall be used to initiate any project or activity which has not
21 been justified to the House of Representatives and the Senate.

22 United Nations expanded program of technical assistance
23 and related fund: For contributions authorized by section
24 306 (a), \$33,000,000.

1 Technical cooperation programs of the Organization of
 2 American States: For contributions authorized by section
 3 306 (b) , ~~(6)\$1,500,000~~ \$1,300,000.

4 Special assistance, general authorization: For assistance
 5 authorized by section 400 (a) , ~~(7)\$206,000,000~~ \$256,000,-
 6 000: ~~(8)Provided,~~ That no part of this appropriation shall be
 7 transferred by the International Cooperation Administration
 8 or the Department of State to the Benjamin Franklin Foun-
 9 dation, until a new agreement is entered into between the
 10 United States and the Benjamin Franklin Foundation which
 11 contains adequate financial and administrative controls for
 12 the protection of the Government of the United States.

13 ~~(9)~~Special assistance, special authorization: For assist-
 14 ance authorized by section 400 (e) for hospital construction
 15 the equivalent of \$1,500,000 in local currencies.

16 *Special Assistance, special authorization: For assistance*
 17 *authorized by section 400 (c) for hospital construction,*
 18 *\$1,500,000 to be used to purchase foreign currencies*
 19 *which the Department of the Treasury may determine to*
 20 *be excess to the normal requirements of the United States.*

21 Intergovernmental Committee for European Migration:
 22 For contributions authorized by section 405 (a) , ~~(10)\$10,-~~
 23 ~~000,000~~ \$6,700,000: *Provided,* That no funds herein appro-
 24 priated shall be used to assist directly in the migration to any

1 nation in the Western Hemisphere of any person not having
 2 a security clearance based on reasonable standards to insure
 3 against Communist infiltration in the Western Hemisphere:
 4 *And provided further,* That no funds herein appropriated
 5 shall be used to pay transportation costs of any doctor or im-
 6 migrant inspector or for any space not required to be allotted
 7 by the applicable U. S. maritime laws and regulations.

8 Program of United Nations High Commissioner for
 9 Refugees: For contributions authorized by section 405 (c),
 10 \$1,300,000.

11 Escapee program: For assistance authorized by section
 12 405 (d) , ~~(11)\$3,500,000~~ \$3,350,000.

13 United Nations Children's Fund: For contributions au-
 14 thorized by section 406, \$12,000,000.

15 United Nations Relief and Works Agency: For contri-
 16 butions and expenditures authorized by section 407,
 17 \$16,500,000.

18 North Atlantic Treaty Organization science program:
 19 For contributions authorized by section 408 (a) , \$1,200,000.

20 Ocean freight charges, United States voluntary relief
 21 agencies: For payments authorized by section 409 (c),
 22 \$2,000,000.

23 General administrative expenses: For expenses author-
 24 ized by section 411 (b) , ~~(12)\$38,000,000~~ \$40,000,000.

1 Administrative and other expenses: For expenses au-
 2 thorized by section 411 (c), \$8,000,000.

3 Atoms for peace: For assistance authorized by section
 4 419, \$1,500,000.

5 (13) Office of the Inspector General and Comptroller: Not to
 6 exceed \$1,000,000 of the funds appropriated in this title
 7 shall be available to carry out the provisions of section 533A
 8 of the Mutual Security Act of 1954, as amended.

9 CONTINGENCIES

10 President's special authority and contingency fund:
 11 For assistance authorized by section 451 (b), (14) \$150,-
 12 000,000 \$250,000,000 (15): *Provided, That none of the*
 13 *funds appropriated in this paragraph shall be used for any*
 14 *project or activity for which an estimate has been submitted*
 15 *to Congress (16): Provided, That none of the funds appro-*
 16 *priated in this paragraph may be used to finance contributions*
 17 *to the United Nations for a program in any country in*
 18 *Africa in excess of 40 per centum of the total contributions*
 19 *to the United Nations for such program.*

20 (17) Unobligated balances of funds heretofore made avail-
 21 able under authority of the Mutual Security Act of 1954,
 22 as amended, and available as of June 30, 1960, are, except
 23 as otherwise provided, hereby continued available for the

1 *fiscal year 1961, for the same general purposes for which*
2 *appropriated.*

3 **(18)** *Funds appropriated under each paragraph of this title*
4 *(other than appropriations under the head of military assist-*
5 *ance), including unobligated balances continued available,*
6 *and amounts certified pursuant to section 1311 of the Sup-*
7 *plemental Appropriation Act, 1955, as having been obligated*
8 *against appropriations heretofore made for the same general*
9 *purpose as such paragraph, which amounts are hereby con-*
10 *tinued available (except as may otherwise be specified in this*
11 *title) for the same period as the respective appropriations in*
12 *this title for the same general purpose, may be consolidated*
13 *in one account for each paragraph.*

14 **CORPORATION**

15 The Development Loan Fund is hereby authorized to
16 make such expenditures within the limits of funds available
17 to it, and in accord with law, and to make such contracts
18 and commitments without regard to fiscal year limitations
19 as provided in section 104 of the Government Corporation
20 Control Act, as amended, as may be necessary in carrying
21 out the programs set forth in the budget for the current fiscal
22 year for such corporation, except as hereinafter provided:

DEVELOPMENT LOAN FUND

For advances to the Development Loan Fund as authorized by section 203, ~~(19)\$550,000,000~~ \$700,000,000, to remain available until expended.

LIMITATION ON ADMINISTRATIVE EXPENSES, DEVELOPMENT LOAN FUND

Not to exceed ~~(20)\$1,800,000~~ \$2,150,000 of the funds of the Development Loan Fund shall be available during the current fiscal year for administrative expenses of the Fund covering the categories set forth in the current fiscal year budget estimates for such expenses ~~(21)~~: *Provided, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Fund or in which it has an interest as a result of its financing activities, including expenses of collections of pledged collateral, shall be considered as non-administrative expenses for the purposes hereof.*

GENERAL PROVISIONS

~~(22)~~ SEC. 101. None of the funds herein appropriated shall be used to carry out any provision of chapter II, III, or IV

1 of the Mutual Security Act of 1954, as amended, with respect
2 to any project or activity, or in any country, during any
3 period when more than thirty-five days have elapsed between
4 the written request (delivered to the office of the head of
5 the appropriate department or agency) for, and the furnish-
6 ing of, any document, paper, communication, audit, review,
7 finding, recommendation, report, or other material in pos-
8 session or control of such department or agency relating to
9 the expenditure of funds with respect to such project or
10 activity or in such country, to the General Accounting Office
11 or any committee of the Congress, or any duly authorized
12 subcommittee thereof, charged with considering legislation
13 or appropriations for or expenditures of such department or
14 agency.

15 *SEC. 101. (a) Within sixty days following the date of*
16 *enactment of this Act, the President shall transmit to the*
17 *Committee on Appropriations of the Senate and the Com-*
18 *mittee on Appropriations of the House of Representatives a*
19 *report containing a full and complete revision of the data*
20 *presented to such committees in justification of appropriations*
21 *requested for the Mutual Security program for the fiscal year*
22 *1961, showing any changes in such program approved sub-*
23 *sequent to such presentation, including changes necessary to*
24 *reflect actual appropriations for the program.*

25 *(b) Within thirty days following the approval of any*

1 *change in the Mutual Security program for the fiscal year*
2 *1961, which will result in furnishing assistance of a kind,*
3 *for a purpose, in an area, or in an amount, different from*
4 *that described in the report transmitted under subsection (a),*
5 *and which involves \$1,000,000 or more, or 5 per centum*
6 *of the amount appropriated under any paragraph of this title*
7 *whichever is the lesser, the President shall transmit to the*
8 *Committee on Appropriations of the Senate and the Com-*
9 *mittee on Appropriations of the House of Representatives*
10 *a full and complete report of such change and the reasons*
11 *therefor.*

12 *(c) This section shall not apply to programs authorized*
13 *by section 451 of the Mutual Security Act of 1954, as*
14 *amended.*

15 *(d) None of the funds herein appropriated shall be used*
16 *to carry out any provision of chapter II, III, or IV of the*
17 *Mutual Security Act of 1954, as amended, in any country*
18 *or with respect to any project or activity, after the expiration*
19 *of the thirty-five-day period which begins on the date the*
20 *General Accounting Office or any committee of the Congress,*
21 *or any duly authorized subcommittee thereof, charged with*
22 *considering legislation or appropriations for, or expenditures*
23 *of, the International Cooperation Administration, has de-*
24 *livered to the Office of the Director of the International Co-*

1 operation Administration a written request that it be furnished
2 any document, paper, communication, audit, review, finding,
3 recommendation, report, or other material relating to the ad-
4 ministration of such provision by the International Coopera-
5 tion Administration in such country or with respect to such
6 project or activity, unless and until there has been furnished
7 to the General Accounting Office, or to such committee or
8 subcommittee, as the case may be, (1) the document, paper,
9 communication, audit, review, finding, recommendation, re-
10 port or other material so requested, or (2) a certification by
11 the President that he has forbidden its being furnished pur-
12 suant to such request, and his reason for so doing.

13 SEC. 102. None of the funds herein appropriated for
14 Defense Support, the Development Loan Fund, Special
15 Assistance, or the President's Special Authority and Contin-
16 gency Fund shall be used to finance the construction of any
17 new flood control, reclamation, or other water or related land
18 resource project or program which (23) has not met the
19 standards and criteria used in determining the feasibility of
20 flood control, reclamation and other water and related land
21 resource programs and projects proposed for construction
22 within the United States of America as per circular A-47 of
23 the Bureau of the Budget, dated December 31, 1952 does not

1 *meet a feasibility ratio of related programs in the United*
2 *States based on the engineering information available at the*
3 *time the project is being considered.*

4 SEC. 103. Obligations made from funds herein appro-
5 priated for engineering and architectural fees and services
6 to any individual or group of engineering and architectural
7 firms on any one project in excess of \$25,000 shall be re-
8 ported to the Committees on Appropriations of the Senate
9 and House of Representatives at least twice annually.

10 SEC. 104. Except for the appropriations entitled "Pres-
11 ident's special authority and contingency fund" and "Devel-
12 opment Loan Fund", not more than 20 per centum of any
13 appropriation item made available by this title shall be obli-
14 gated and/or reserved during the last month of availability.

15 SEC. 105. None of the funds herein appropriated nor
16 any of the counterpart funds generated as a result of assist-
17 ance hereunder or any prior Act shall be used to pay
18 pensions, annuities, retirement pay or adjusted service com-
19 pensation for any persons heretofore or hereafter serving
20 in the armed forces of any recipient country.

21 ~~(24) SEC. 106. None of the funds herein appropriated shall~~
22 ~~be used to carry out the provisions of section 203(e) of the~~
23 ~~Mutual Security Act of 1960.~~

1 ~~(25)~~SEC. 107. None of the funds herein appropriated shall
2 be used to carry out the provisions of section 421 of the
3 Mutual Security Act of 1954, as amended.

4 ~~(26)~~SEC. 108. None of the funds herein appropriated shall
5 be used to finance any of the activities under the Investment
6 Incentive Fund Program.

7 ~~(27)~~SEC. 109. None of the funds herein appropriated shall
8 be used to carry out the provisions of chapter VIII of the
9 Mutual Security Act of 1960.

10 SEC. ~~(28)~~110 106. The Congress hereby reiterates its
11 opposition to the seating in the United Nations of the Com-
12 munist China regime as the representative of China, and it
13 is hereby declared to be the continuing sense of the Congress
14 that the Communist regime in China has not demonstrated
15 its willingness to fulfill the obligations contained in the
16 Charter of the United Nations and should not be recognized
17 to represent China in the United Nations. In the event
18 of the seating of representatives of the Chinese Communist
19 regime in the Security Council or General Assembly of the
20 United Nations, the President is requested to inform the
21 Congress insofar as is compatible with the requirements of
22 national security, of the implications of this action upon the
23 foreign policy of the United States and our foreign relation-

1 ships, including that created by membership in the United
2 Nations, together with any recommendations which he may
3 have with respect to the matter.

4 SEC. ~~(29)~~ 107. It is the sense of Congress that any
5 attempt by foreign nations to create distinctions because of
6 their race or religion among American citizens in the granting
7 of personal or commercial access or any other rights otherwise
8 available to United States citizens generally is repugnant to
9 our principles; and in all negotiations between the United
10 States and any foreign state arising as a result of funds
11 appropriated under this title these principles shall be applied
12 as the President may determine.

13 ~~(30)~~ SEC. ~~112~~. None of the funds contained in title I of this
14 Act may be used to enter into any contract with any person,
15 organization, company, or concern or any of its affiliates who
16 has offered or who offers to provide compensation to an
17 employee of the International Cooperation Administration
18 or who provides compensation to any former employee of
19 the International Cooperation Administration whose annual
20 salary exceed \$5,000 and who has left employment with
21 the International Cooperation Administration within two
22 years of the date of employment with said person, organiza-
23 tion, company, or concern, or any of its affiliates.

- 1 **(31)***SEC. 108. The appropriations and authority with respect*
2 *thereto in this Act shall be available from July 1, 1960, for*
3 *the purposes provided in such appropriations and authority.*
4 *All obligations incurred during the period between June 30,*
5 *1960, and the date of enactment of this Act in anticipation*
6 *of such appropriations and authority are hereby ratified and*
7 *confirmed if in accordance with the terms hereof.*
- 8 **(32)***SEC. 109. None of the funds appropriated in this Act*
9 *may be used to finance more than 90 per centum of the*
10 *total cost of any program in any foreign country.*
- 11 **(33)***SEC. 110. No funds provided hereunder shall be avail-*
12 *able for any country which, in the judgment of the President*
13 *of the United States, directly or indirectly is selling arms,*
14 *munitions or implements of war, to the Castro regime in*
15 *Cuba, or directly or indirectly is giving or loaning military*
16 *or economic aid to that regime.*
- 17 **(34)***SEC. 111. It is the sense of the Congress that in the*
18 *administration of section 414 of the Mutual Security Act*
19 *of 1954, as amended, the Secretary of State should take*
20 *such action as may be necessary to prevent the importation*
21 *or reimportation into the United States (other than for use*
22 *by the Armed Forces of the United States) for resale of*
23 *firearms manufactured for the armed forces of any country,*
24 *or parts thereof for reassembly, except those which are*

1 *curios or antiques or weapons of obsolete ignition incapable*
 2 *of using a fixed cartridge or fixed shotgun shell.*

3 **(35)***SEC. 112. No funds provided hereunder shall be avail-*
 4 *able for any country which, in the judgment of the President*
 5 *of the United States, directly or indirectly, is selling arms*
 6 *munitions, or implements of war, to any country in Latin*
 7 *America being subjected to economic or diplomatic sanctions*
 8 *by the Organization of American States.*

9 TITLE II—DEPARTMENT OF THE ARMY—
 10 CIVIL FUNCTIONS

11 RYUKYU ISLANDS, ADMINISTRATION

12 For expenses, not otherwise provided for, necessary to
 13 meet the responsibilities and obligations of the United States
 14 in connection with the government of the Ryukyu Islands,
 15 including, subject to such authorizations and limitations as
 16 may be prescribed by the Secretary of the Army, tuition,
 17 travel expenses, and fees incident to instruction in the United
 18 States or elsewhere of such persons as may be required to
 19 carry out the provisions of this appropriation; travel ex-
 20 penses and transportation; services as authorized by section
 21 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of indi-
 22 viduals not to exceed ten in number; not to exceed
 23 **(36)**~~\$3,000~~ \$4,000 for contingencies for the High Commis-
 24 sioner to be expended in his discretion; translation rights,

1 photographic work, educational exhibits, and dissemination
2 of information, including preview and review expenses in-
3 cident thereto; hire of passenger motor vehicles and aircraft;
4 purchase of three passenger motor vehicles for replacement
5 only; construction, repair, and maintenance of buildings,
6 utilities, facilities, and appurtenances; and such supplies,
7 commodities, and equipment as may be essential to carry
8 out the purposes of this appropriation; ~~(37)\$5,250,000~~
9 ~~\$7,704,000~~, of which not to exceed ~~(38)\$1,633,000~~
10 ~~\$1,744,000~~ shall be available for administrative and
11 information expenses: *Provided*, That the general pro-
12 visions of the Appropriation Act for the current fiscal
13 year for the military functions of the Department of the
14 Army shall apply to expenditures made from this appro-
15 priation: *Provided further*, That expenditures from this
16 appropriation may be made outside continental United
17 States when necessary to carry out its purposes, with-
18 out regard to sections 355, 3648, and 3734, Revised
19 Statutes, as amended, section 4774 (d) of title 10, United
20 States Code, civil service or classification laws, or pro-
21 visions of law prohibiting payment of any person not a
22 citizen of the United States: *Provided further*, That
23 expenditures may be made hereunder for the purposes of
24 economic rehabilitation in the Ryukyu Islands in such
25 manner as to be consistent with the general objectives of

1 titles II and III of the Mutual Security Act of 1954, and
2 in the manner authorized by sections 505 (a) and 522 (e)
3 thereof: *Provided further*, That funds appropriated here-
4 under may be used, insofar as practicable, and under such
5 rules and regulations as may be prescribed by the Secretary
6 of the Army to pay ocean transportation charges from
7 United States ports, including territorial ports, to ports
8 in the Ryukyus for the movement of supplies donated to,
9 or purchased by, United States voluntary nonprofit relief
10 agencies registered with and recommended by the Advisory
11 Committee on Voluntary Foreign Aid or of relief packages
12 consigned to individuals residing in such areas: *Provided*
13 *further*, That under the rules and regulations to be pre-
14 scribed, the Secretary of the Army shall fix and pay a uni-
15 form rate per pound for the ocean transportation of all re-
16 lief packages of food or other general classification of com-
17 modities shipped to the Ryukyus regardless of methods of
18 shipment and higher rates charged by particular agencies of
19 transportation, but this proviso shall not apply to shipments
20 made by individuals to individuals: *Provided further*, That
21 the President may transfer to any other department or
22 agency any function or functions provided for under this
23 appropriation, and there shall be transferred to any such
24 department or agency without reimbursement and without
25 regard to the appropriation from which procured, such prop-

erty as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred.

TITLE III—EXPORT-IMPORT BANK OF
WASHINGTON

The Export-Import Bank of Washington is hereby authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation, except as hereinafter provided:

LIMITATION ON ADMINISTRATIVE EXPENSES, EXPORT-
IMPORT BANK OF WASHINGTON

Not to exceed \$2,675,000 (to be computed on an accrual basis) of the funds of the Export-Import Bank of Washington shall be available during the current fiscal year for administrative expenses of the Bank, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) at rates not to exceed \$75 per diem for indi-

viduals, purchase of one passenger motor vehicle (for replacement only) at not to exceed \$6,250(39), and not to exceed \$9,000 for entertainment allowances for members of the Board of Directors; and, in addition, not to exceed the equivalent of \$200,000 of the aggregate amount of foreign currencies made available to the Export-Import Bank for loans pursuant to the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be available during the current fiscal year for expenses incurred by the Export-Import Bank incident to such loans: *Provided*, That fees or dues to international organizations of credit institutions engaged in financing foreign trade and necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, shall be considered as nonadministrative expenses for the purposes hereof.

1

TITLE IV

2

SEC. 401. This Act may be cited as the "Mutual Security and Related Agencies Appropriation Act, 1961".

3

Passed the House of Representatives June 17, 1960.

Attest:

RALPH R. ROBERTS,

Clerk.

Passed the Senate with amendments August 24, 1960.

Attest:

FELTON M. JOHNSTON,

Secretary.

86TH CONGRESS
2D Session

H. R. 12619

AN ACT

Making appropriations for Mutual Security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 24, 1960

Ordered to be printed with the amendments of the
Senate numbered

MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATIONS, 1961

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed. Without objection, the Chair lays before the Senate the unfinished business, which is H.R. 12619.

The Senate resumed the consideration of the bill (H.R. 12619) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

Mr. BRIDGES. Mr. President, I offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 13, after line 23, insert the following:

Sec. 109. No funds provided hereunder shall be available for any country which, in the judgment of the President of the United States, directly or indirectly is selling arms, munitions or implements of war, to the Castro regime in Cuba, or directly or indirectly is giving or loaning military or economic aid to that regime.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be not charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I hope the Senator from New Hampshire will give the Senate a brief explanation of his amendment.

Mr. BRIDGES. Mr. President, the amendment provides:

No funds provided hereunder shall be available for any country which, in the judgment of the President of the United States, directly or indirectly is selling arms, munitions, or implements of war to the Castro regime in Cuba, or directly or indirectly is giving or loaning military or economic aid to that regime.

Mr. President, the amendment is very simple. There is not a Member of the Senate—there is not a thoughtful person in our Nation—who does not know what is taking place in Cuba. Everyone knows about the Castro situation. There is no need to elaborate it upon the floor of the Senate.

Mr. Castro and his entire regime have confiscated hundreds of millions of dollars worth of American property. He is playing fast and loose with Communist regimes in other countries of the world. He has insulted this country time and time again.

The U.S. Secretary of State has told the Organization of American States that Communist agents are being trained in Cuba and are then spreading out in fanlike fashion all over Central and South America. We want no Communist satellite in this hemisphere and we want no Communist beachhead 90 miles from our shore.

My amendment provides that the United States will not furnish mutual aid to a nation which is helping to promote the Castro regime in Cuba by selling them arms, munitions, or military equipment, or giving them economic aid.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. AIKEN. I am certain most people will agree with the purpose of the Senator from New Hampshire. There is one point in his amendment which I think should be clarified. Would ordinary trade—the exchange of nonmilitary goods between Cuba and another country—be considered as giving economic aid? For instance, if a South American country wished to sell, let us say, coffee to Cuba, and bought sugar or some other Cuban commodity in exchange, would that kind of transaction be considered as extending economic aid to Cuba?

Mr. BRIDGES. No. In my judgment, the intent of the amendment is to prevent the supplying of military assistance to the Castro regime. So far as I am concerned, that is very clearly the intent. The normal trade between nations, whether in sugar or coffee or bananas, or any other commodity of that type, would not be interfered with or would not be considered a violation.

Mr. AIKEN. I was certain that that was the intent of the Senator from New Hampshire, but I thought it ought to be placed on the Record, so that it would not be said that the United States was insisting that all other countries apply total economic sanctions to Cuba. With that explanation by the Senator from New Hampshire, I have no objection to the amendment.

Mr. BRIDGES. I thank the Senator from Vermont.

Mr. COTTON. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield to my colleague.

Mr. COTTON. This amendment is in keeping with the consistent and constant efforts of my distinguished senior colleague from New Hampshire to have this country maintain a completely firm and unflinching attitude to prevent the Communists from gaining a beachhead in the Western Hemisphere through Cuba. The senior Senator from New Hampshire is to be highly commended for offering the amendment. I consider it a privilege to support it.

Mr. BRIDGES. I thank my colleague.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. KEATING. The distinguished senior Senator from New Hampshire has performed a distinct service in calling up this amendment. We in the United States are deeply concerned about what is happening in Cuba. It is a very serious situation when a Communist beachhead, be it ideological or otherwise, is established 90 miles from our shore. I do not believe the taxpayers expect to have their funds used to bolster a Cuban regime which has shown itself to be

militantly anti-American. It would be a grave misuse of these funds.

I hope that the great bulk of the American people feel that the mutual security program is a good one and should be continued and encouraged. Certainly that is my feeling. But it is obvious that we shall be thwarting the very purpose we are seeking to serve by means of the program if we do anything to bolster regimes that are seeking to ruin us, on our doorstep or elsewhere.

The Subcommittee on Internal Security of the Senate Judiciary Committee has held executive hearings over a considerable period of time, on the infiltration of Communists into the Castro government. It has become increasingly evident that that is what is happening; and I feel that this amendment is deserving of our support. I hope it will receive the unanimous support of the Members of this body.

Mr. BRIDGES. I thank the Senator from New York for his observations.

Mr. MORSE. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. MORSE. I wish to say that I favor the amendment submitted by the Senator from New Hampshire, so far as it goes. I certainly believe we should make clear, not only to our friends in Latin America but also to some of our friends in Europe, that they are not helping the cause of peace and the freedom of the world when they sell arms to Latin American countries, when those arms will be used not for peaceful purposes but for purposes other than peaceful, to strengthen dictatorships in Latin America.

The situation in Latin America is rather complicated.

I strongly support the amendment with respect to Cuba. But I should like to ask the Senator from New Hampshire whether he would accept an amendment which would apply his amendment also to the Dominican Republic, because, likewise, there is in the Dominican Republic a situation which again involves a dictatorship regime, although in that instance, in my opinion, a Fascist one rather than a Communist one. But so far as human rights and dignity are concerned, there is no difference.

Our Secretary of State made very clear, in the conference now going on at San Jose, Costa Rica, what our position is in regard to the deplorable situation in the Dominican Republic. We know that the power play between Cuba and the Dominican Republic has not been helpful to stable and peaceful conditions in Latin America.

First, let me ask whether the Senator from New Hampshire would be willing to enlarge his amendment so as to place the restriction on the Dominican Republic as well as on Cuba.

Mr. BRIDGES. Let me say that my feelings are very much the same as those of the Senator from Oregon about the situation he has so ably described. But I wish to make it strikingly clear that I feel so strongly about the subject of giving aid to Cuba that I would not

wish to jeopardize the success of my amendment by overloading it with other matters. I will point out to the Senator from Oregon that he can, of course, submit his own amendment; but I would prefer to have the Cuban-Castro amendment adopted first, and thereafter deal with the Senator's amendment independently.

I feel that combining the two proposals might place my amendment regarding the Castro regime in jeopardy. I have heretofore talked to a great many of my colleagues who have specifically indicated a desire to support the amendment which I have offered this morning. Therefore, having received their acceptance, I do not desire to change the wording of the amendment at this time.

Mr. MORSE. The Senator got whose acceptance?

Mr. BRIDGES. Numerous Senators have indicated to me their agreement with my amendment in its present form. I do not presume to speak for them, and, therefore, I shall not name them specifically at this time. My distinguished colleague from New Hampshire [Mr. CORTON] and my good friend from New York [Mr. KEATING] have already expressed their support of my proposal on the floor of the Senate. For this reason, I do not wish to complicate the action on my amendment by adding to it another amendment at this time.

Mr. MORSE. I do not wish to upset the parliamentary procedure in connection with the amendment of the Senator from New Hampshire. But I give notice that immediately after the Senate disposes of his amendment, I will offer an amendment to deal with other dictatorships in Latin America.

This problem has another aspect, because it not only involves the sale of arms to Cuba and the Dominican Republic. In addition, some other countries are involved and affected. The great President of Chile, President Jorge Alessandri, last year demonstrated real statesmanship, which I believe has augured well for better relationships in our hemisphere, when he suggested that all countries of Latin America proceed with a disarmament program and put it into practice. One of the things that caused that proposal to be made by the President of Chile, and seconded by the President of Peru, was the fact that when one Latin American country buys arms, its neighbors feel that they must buy arms also, and then the first country feels that it must buy more arms, and a classical armaments race develops. Further, the civilian governments of Latin America which are struggling to achieve economic development with inadequate resources need to have their hands strengthened in regard to their own military establishments. In Peru, for example, certain governmental revenues are earmarked for the armed forces and can be spent in the discretion of the armed forces without going through the regular budgetary process. Thus the Peruvian Navy last year was able to purchase a cruiser from Great Britain without the Peruvian Government even knowing about it. Certainly we must realize that if there is a war,

it will be a nuclear war; and the type of arms being shipped into Latin America will not be very helpful in a nuclear war. In fact, every country in Latin America knows that in a nuclear war, Latin America would not protect the United States; instead, the United States would have to protect Latin America.

Without taking time to go into detail, I simply make this statement and inform the Senate that in my opinion the evidence in support of my statement is overwhelming: the fact is that there is a rivalry among certain countries in Latin America, as regards building up armaments of so-called conventional weapons, which could not be of much use or help in connection with a world war of a nuclear type. However, they could be used in conflicts between and among Latin American countries. That is what the President of Chile was pointing out—namely, that the sale of such armaments is causing difficulties in Latin America, from the standpoint of attempts to avoid an armaments race. Such armaments can, of course, be used to keep down freedom; and they could be used in that way by any totalitarian group which might come into power in a Latin American country.

In some instances, those countries have sought to buy such supplies from the United States; and when we refused to sell them, or indicated that we were reluctant to sell them, the answer was, "If you do not sell them to us, we will buy them from some place else"—from England, from France, from some of our good allies in Europe.

In my opinion, there must be a stop to all that, insofar as we are concerned. We must find out whether our allies in Europe are going to sell arms to Latin American countries in connection with the armament races which sometimes develop between Latin American countries, to the detriment of peace in this hemisphere.

When the great Prime Minister of Great Britain, Mr. Macmillan, was here, I discussed this matter with him. He indicated that he was very sympathetic about the problem. At that time there was a discussion of whether Great Britain would sell some planes to Cuba. I told him that I thought it was a great mistake for Great Britain to consider selling planes to Cuba. The Prime Minister of Great Britain gave the usual argument, "If we do not sell them to Cuba, Castro will get them elsewhere." As I recall, the British in fact did not sell the planes.

But in any case, Mr. President, I do not accept the argument, that if we or our allies do not sell arms to Latin America, some one else will. I believe that we should find out what countries are willing to sell such arms. It will be helpful to know what countries if any in Latin America are willing to buy arms from Russia. The good neighbor policy carries with it mutual obligations of cooperation. I am opposed to selling arms to Cuba or the Dominican Republic just because we may be presented with the threat that if we do not sell them then those governments will buy them elsewhere, even in Russia.

If we set a good example, by refusing to sell U.S. arms, I think we shall then be in a position to ask our allies in Western Europe not to sell arms to those countries, either.

If there is in Latin America a country—whether it is under a dictatorship or is not under a dictatorship—that wants to turn to the Soviet bloc countries for the purchase of such armaments, let us find it out. That will certainly be a test of its good faith and of whether it wants to work with us for a program of mutual security in the Western Hemisphere, knowing very well that in the event of a nuclear war the United States will be the one that will have to provide the defense for all of Latin America.

The PRESIDING OFFICER. The time yielded to the Senator from New Hampshire has expired.

Mr. JOHNSON of Texas. Mr. President, does the Senator from New Hampshire wish to have a few additional minutes yielded to him?

Mr. MORSE. May I have an additional half minute?

Mr. JOHNSON of Texas. Very well; I yield an additional one-half minute to the Senator from Oregon.

Mr. MORSE. Mr. President, this problem of mutual defense is a most important common problem.

So I believe that in this mutual security bill we must use language which will make clear to all the world that we are opposed to the buildup of armaments in Latin America.

In my judgment, what we ought to be doing is exercising our powerful leadership through the Organization of American States in regard to this question of armaments in Latin America, because when one country buys a destroyer, it is an incentive for another country to buy a destroyer, and it becomes an arms race. That is what the President of Chile pointed out when he made his disarmament proposal.

The amendment of the Senator from New Hampshire is a good start. I shall support the amendment with regard to Cuba only because he has an understanding with the chairman of the committee that he will take it to conference.

I want to say to the chairman of the committee that it is just as important that the principle be applied to the Dominican Republic, which is also a country that is following anything but a peaceful course of action in Latin America.

In a moment, I shall offer an amendment which will apply the same principle to the Dominican Republic.

Mr. HAYDEN. It seems to me the Senator's proposal should be a general one, and not single out one country.

Mr. MORSE. If the Senator will take an amendment which does not single out the Dominican Republic, but singles out the whole problem of military aid to dictatorships, I will word it that way; but if he is accepting now an amendment which singles out Cuba, I do not see, by any premise of logic, why it would not justify our singling out also the Dominican Republic.

Mr. BRIDGES. The only thing is that, with respect to Cuba, the Castro

regime is castigating us, confiscating our property, and insulting us, threatening us, and I would like to have Cuba dealt with by itself.

Mr. MORSE. I have already said I would accept it, but I think we make a great mistake in Latin American affairs if we single out Cuba, and not say anything about the Dominican Republic, because there are over 3,000 people imprisoned in the Dominican Republic today, without having had a fair trial, because they are moderates. They are anti-Communist and anti-fascist. They are the people we should look to in case of a revolution in that country.

I think we ought to make it clear that if the present situation in the Dominican Republic continues, we are not going to give aid and comfort to the Dominican Republic or to any other dictatorship in Latin America.

I shall offer my amendment later.

Mr. JOHNSON of Texas. Mr. President, I will yield back my time if the mover of the amendment will yield back his time.

Mr. HAYDEN. Mr. President, I will take the amendment to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire.

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I think the Senator from New Hampshire has another amendment. Does he care to offer it now?

Mr. BRIDGES. No.

Mr. CASE of South Dakota. Mr. President, I desire to offer an amendment, on page 13, after line 23, to insert a new section that would read:

None of the funds appropriated in this Act may be used to finance more than 90 per centum of the total cost of any program in any foreign country.

The PRESIDING OFFICER. The amendment offered by the Senator from South Dakota will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 13, after line 23, to add a new section as follows:

SEC. 109. None of the funds appropriated in this Act may be used to finance more than 90 per centum of the total cost of any program in any foreign country.

Mr. CASE of South Dakota. Mr. President, this amendment is intended to insure that there shall be some local participation or some participation by others to the extent of at least 10 percent in any program. I did not draft the amendment to make it apply specifically to every project, but it would be applied to the total program proposed to be financed in the pending bill.

Mr. JOHNSON of Texas. Mr. President, I am informed by the chairman of the committee that no hearings have been held on the amendment and he is not familiar with it, but he is willing to take the amendment to conference, if the Senator and Secretary of State can furnish him with certain information.

Mr. CASE of South Dakota. I will be glad to do that. This amendment is comparable to a provision which was carried originally to initiate the Marshall plan. It was first objected to by

some in connection with the program. After it was tried for a year, the officials said it was the best policeman they had to insure success of the program.

I appreciate the chairman's being willing to take the amendment to conference.

Mr. JOHNSON of Texas. Mr. President, I am willing to yield back my time, with the understanding that the Senator from South Dakota yields back his time.

Mr. HAYDEN. Mr. President, I will take the amendment to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, the Senator from Connecticut [Mr. DODD] had an amendment to the State, Justice, and Judiciary appropriation bill which was adopted unanimously. The conferees thought it would be more applicable to the pending bill. The amendment is at the desk. The chairman of the committee has agreed to take the amendment to conference. I am hopeful the conferees will agree to it.

The PRESIDING OFFICER. The amendment of the Senator from Connecticut will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 13, after line 23, to insert the following language:

SEC. 111. It is the sense of the Senate that in the administration of section 414 of the Mutual Security Act of 1954, as amended, the Secretary of State should take such action as may be necessary to prevent the importation or reimportation into the United States (other than for use by the Armed Forces of the United States) for resale of firearms manufactured for the armed forces of any country, or parts thereof for reassembly, except those which are curios or antiques or weapons of obsolete ignition incapable of using a fixed cartridge or fixed shotgun shell.

Mr. HAYDEN. Mr. President, when this amendment was under discussion as an amendment to the State, Justice, Judiciary appropriation bill, it was discussed in the committee. It was felt it would be more appropriate to have it in the mutual security bill than in that bill. Therefore, it was omitted, so far as the Senate was concerned, from the other appropriation bill. The committee has no objection to its adoption in connection with the pending bill.

Mr. JOHNSON of Texas. Will the distinguished Senator from Connecticut agree to modify the amendment by striking out the language "it is the sense of the Senate," so that it will read "It is the sense of the Congress"?

Mr. DODD. Yes; I would like to have my amendment changed so that it will read that way.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

Mr. JOHNSON of Texas. Mr. President, I yield back my time, with the understanding that the mover of the amendment yields back his time.

Mr. DODD. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment as modified was agreed to.

Mr. JOHNSON of Texas. Mr. President, I congratulate the Senator from Connecticut for his cooperation, and express the hope that the House conferees will agree to the amendment, now that it has been decided to add the provision to the mutual security appropriation bill.

Mr. President, I should like to announce that as soon as the conference report on the State-Justice-Judiciary appropriation bill is agreed to in the House, we shall call it up here.

Mr. DODD. Mr. President, I express appreciation to the majority leader for his cooperation on this amendment.

The purpose of this amendment is to advise the Secretary of State to take action to prevent foreign nations from dumping millions and millions of surplus military rifles on the American market and thus destroying the arms producing industry of the United States.

The U.S. Government owns many millions of surplus military M-1 rifles. It has not permitted the sale of these rifles on the domestic market? Why? Because such action would ruin the domestic firearms industry, which is rightly considered a vital element of our national defense. How strange, therefore, that the State Department is permitting foreign nations to unload their surplus military weapons here.

Since 1956, the number of surplus rifles imported into the United States has climbed rapidly each year. These imports increased by 20 times between 1955 and 1958 while domestic center fire rifle sales decreased by 50 percent. In 1958, the number of military surplus firearms imported into this country actually exceeded our domestic sales.

It has been estimated that the Soviet Union will dump 10 million surplus arms on the market in the next 2 years and unless we act to prevent it, these rifles could be imported into the United States. Added to the steady flow of surplus firearms imports from England, Italy, Sweden, and Germany, this would cripple our own domestic industry. We cannot allow this to happen.

We are dependent upon our firearms producers to develop new and better weapons in time of peace and to mass produce these weapons in time of national emergency. Does it make sense to permit the ruin of this vital American industry through the importation of vast numbers of foreign surplus military rifles to be sold here at cutrate prices with which neither our firearms industry nor any other firearms industry in the world can compete?

This is a sense resolution which is not binding upon the State Department. It does one thing. It advises the State Department that the U.S. Senate is alarmed over the possible destruction of our domestic arms industry through the importation of surplus military rifles from abroad.

In my State are great arms producing companies like Winchester, Colt, and Remington. We call on these companies in times of emergencies. If they are to survive, certainly they ought to get some

protection against this kind of competition which has been flooding the country.

Mr. SALTONSTALL. Mr. President, I am in hearty agreement, as a Senator from Massachusetts, with the Senator from Connecticut on his amendment. The matter was taken up by the conference committee on the State Department bill. However, we shall now try to retain it in this bill in conference, if we can.

Mr. DODD. I am very grateful to my friend, the very able Senator from Massachusetts. I know of his interest in the subject, and of his great assistance. I am extremely grateful to him.

The PRESIDING OFFICER. The bill is open to amendment. If there be no further amendment to be proposed—

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Are amendments in order?

The PRESIDING OFFICER. The bill is open to amendment.

Mr. MORSE. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. After line 23, page 13, it is proposed to insert:

No funds provided hereunder shall be available for any country which, in the judgment of the President of the United States, directly or indirectly, is selling arms, munitions, or implements of war, to any country in Latin America being subjected to economic or diplomatic sanctions by the Organization of American States.

Mr. MORSE. Mr. President, I ask the chairman of the committee if he is willing to take the amendment to conference.

In effect, the amendment would provide that if the Organization of American States should take a position of imposing economic or diplomatic sanctions against any of the Latin American countries, then we would consider the sale of arms to that country to be something which would justify our denying military or economic aid to the country selling the arms while the sanctions were applicable.

Mr. JOHNSON of Texas. The discretion would be purely with the President?

Mr. MORSE. The discretion would be with the President of the United States.

Mr. HAYDEN. I have no objection to the amendment.

Mr. JOHNSON of Texas. Mr. President, I yield back my remaining time.

Mr. MORSE. Mr. President, I yield back my remaining time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to amendment. If there be no further amendments to be proposed, the question is on the engrossment of the

amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 12619) was read the third time.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the action by which the bill was read the third time.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SALTONSTALL. Mr. President, I should like to ask the chairman of the committee a question on the appropriation for special assistance.

The committee recommended an appropriation of \$256 million, which is an increase of \$50 million over the House figure, but is still \$12.5 million under the budget estimate. This latter \$12.5 million reduction was made during consideration of the bill when it was in the authorizing stage. The House report states that none of the cut in the special assistance appropriation is to be applied to the \$38 million included in the total for malaria eradication. I strongly support the malaria-eradication program, but I doubt whether it should be funded in full in the face of the 20-percent reduction approved by the House. Other important items make up this appropriation, such as the fund for tropical Africa and others.

Would the Senator be willing to give his interpretation in this regard?

Mr. HAYDEN. The Senator is entirely correct. The committee made its recommendations with full knowledge of the position taken by the other body. The committee believes that latitude in the distribution of any reduction from the original request for special assistance must be left to the executive branch, in the interest of efficient administration.

Mr. SALTONSTALL. Mr. President, I thank the chairman of the committee. I think the chairman [Mr. HAYDEN] and the members of the committee have done a fine job on the bill. I hope it will be passed. I hope we shall have a satisfactory conference with the House of Representatives.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum with the understanding that the time will be charged equally to both sides.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that further proceedings under the quorum call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

REGULATION OF WAGE RATES FOR EMPLOYEES OF PORTSMOUTH, N.H., NAVAL SHIPYARD

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate may proceed to the consideration of Calendar No. 1929, S. 3800, with the understanding that as soon as the Senate has concluded action upon the bill we shall return to the consideration of the unfinished business, H.R. 12619, making appropriations for mutual security and related agencies.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill (S. 3800) to provide a method for regulating and fixing wage rates for employees of Portsmouth, N.H., Naval Shipyard.

Mr. JOHNSON of Texas. Mr. President, the bill would require that the Secretary of the Navy establish the hourly rates of pay for all per diem employees of the Portsmouth, N.H., Naval Shipyard, at the same hourly rates paid to employees of similar classification at the Boston, Mass., Naval Shipyard.

I understand there is no opposition to the bill. I hope the Senate will pass it.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3800) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Navy shall establish the hourly rates of pay for all per diem employees employed at the Portsmouth, New Hampshire, Naval Shipyard at the same hourly rates as are paid to employees of similar classification resulting from area wage survey applicable to employees of the Boston, Massachusetts, Naval Shipyard.

SEC. 2. This Act shall take effect on the first day of the first pay period which begins after the date of enactment of this Act.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mrs. SMITH. Mr. President, I move to lay that motion on the table.

Mr. MANSFIELD. Mr. President, I move to lay the motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider. [Putting the question.]

The motion to lay on the table was agreed to.

MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATIONS, 1961

The Senate resumed the consideration of the bill (H.R. 12619) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I yield 1 hour to the very able and distinguished Senator from Louisiana [Mr. ELLENDER], and I express to him

my deep gratitude for his complete cooperation in this matter.

Mr. ELLENDER obtained the floor.

Mr. CASE of South Dakota. Mr. President, will the Senator yield briefly for a question?

Mr. ELLENDER. I yield for a question.

Mr. CASE of South Dakota. Has the Senator had an opportunity to consider the potential good in the direction of improving the expenditure of money under the amendment which the Senator from South Dakota offered just prior to the third reading? It was agreed to and is to be taken to conference. I wish to read it because I thought the Senator might lend his support to the retention of the amendment in conference. The amendment to section 109 is:

None of the funds appropriated in this Act may be used to finance more than 90 per centum of the total cost of any program in any foreign country.

My purpose in offering the amendment was to try to insure that in every recipient country foreign-aid programs would have the endorsement and contribution of at least 10 percent by the recipient country.

Mr. ELLENDER. My only regret is that the Senator did not place his percentage at a little more than 10 percent. It strikes me that this program has gone along far enough now so that the countries we are assisting are well able to do more for themselves than they have in the past. I believe the amendment of the Senator from South Dakota is a step in the right direction. It should have been a provision in the program when it was first started.

Mr. CASE of South Dakota. I appreciate the statement of the Senator from Louisiana. Of course, the percentage is not restrictive. They can contribute more than 10 percent if they wish, but at least that much should be required.

Mr. ELLENDER. Mr. President, prior to consideration of the pending bill by the Senate Committee on Appropriations I had entertained hopes that the amount of funds for foreign aid as approved by the House could be drastically reduced. However, during the hearings and committee consideration of the bill it became apparent that the sentiment of a majority of the committee was opposed to any large-scale reduction.

Nevertheless, I am proud to state that the committee, after a little persuasion on my part, refused to add \$200 million in military assistance so as to increase that item to the budget estimate. The administration had insisted that the amount provided for this purpose be not less than \$2 billion. The committee bill provides \$1.8 billion for military aid—a sum which in my opinion is extravagantly large, but an amount which, in my judgment represents the deepest cut which any reasonable person could expect the Senate to approve under the prevailing world conditions.

The whole subject of foreign aid has become involved in an atmosphere of semihysteria. This is particularly true as to military assistance, a program which in large measure is nothing more than a subsidy to our so-called Western

European allies, who are well able to take care of their own defense needs.

A number of reasons compel me to reach this conclusion, all of which I hasten to add, are based upon a personal inspection of conditions in Western Europe, which I was privileged to make for the Senate Appropriations Committee during the recent congressional recess.

First and foremost is the matter of the international balance of payments; that is, the relationship which exists between the amount of dollars which leaves the United States and the amount of dollars which comes into the United States. Figures for the first 6 months of 1960 show, I understand, a greater overall deficit in our balance of payments than had originally been expected by the Department of Commerce. The Wall Street Journal for Friday, August 12, pointed out that U.S. gold stocks were depleted in excess of \$62 million in the latest week for which data are available. This article read in part, and I quote:

With total gold reserves of just under \$19.1 billion, the United States still holds almost half the free world's supply. But, of that amount, nearly \$11 billion must be held as a 25-percent reserve against Federal Reserve banknote and deposit liabilities. The current stock is equal to just over 40 percent of those liabilities.

I ask unanimous consent that there be printed in the RECORD at this point in my remarks the article which appeared in the Wall Street Journal, issue of August 12, 1960, entitled "U.S. Gold Stocks Fell \$62 Million in Latest Week."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 12, 1960]

U.S. GOLD STOCKS FELL \$62 MILLION IN LATEST WEEK—AMOUNT DECLINED \$240 MILLION IN PAST 5 WEEKS, BROUGHT 1960 TOTAL TO \$374 MILLION—BUT DROP TRAILS 1959 TO DATE

Uncle Sam's gold holdings dropped \$62 million in the week ended Wednesday in the fifth consecutive sizable weekly decline, according to figures released by the New York Federal Reserve Bank.

The drop lowered the Treasury's total gold holdings to \$19,082 million and brought the decline so far this year to \$374 million. Some \$240 million of that drop has come in the past 5 weeks.

While the gold outflow has picked up speed in recent weeks, the drop so far this year is still less than the decline in the comparable 1959 period when the gold stock had fallen \$934 million from the first of the year.

In all 1959, U.S. gold holdings fell \$1,076 million through sales to foreign government buyers, compared with a \$2,275 million decline in 1958.

With total gold reserve or just under \$19.1 billion, the United States still holds almost half the free world's supply. But of that amount nearly \$11 billion must be held as a 25 percent reserve against Federal Reserve banknote and deposit liabilities. The current stock is equal to just over 40 percent of those liabilities.

A source of concern to some bankers is the potential drain on the remaining \$8 billion or so of gold by short-term liabilities of foreigners and international institutions. These short-term liabilities, which include bank deposits here and holdings of U.S. Treasury bills and other short-term investments by

foreigners, totaled \$20.1 billion at the end of May, up almost \$4 billion from the end of 1958. During the same period, the Treasury's gold stock fell about \$1.2 billion.

ONE BILLION DOLLARS "HOT" MONEY

However, some bankers contend the bulk of this \$20 billion in potential foreign claims represents "working balances" of foreign businesses, banks and others who maintain funds in this country to facilitate trade. Only about \$1 billion or so, some bankers estimate, is considered so-called "hot" money, which flows from country to country seeking the highest interest rates.

The recent pickup in the gold outflow, so far at least, has been taken calmly by U.S. bankers and Treasury officials, who contend it is in part a "natural" reaction to the spread between interest rates at home and abroad. The Treasury says its representatives in London, Paris, Bonn, and other European financial centers detect no noticeable decline in confidence in the dollar.

As interest rates have stiffened in a number of oversea nations but slackened here in recent months, some short-term investment funds have been moving overseas. This has resulted in a buildup of dollar balances of foreign governments and central banks, which, in turn, have used some of the added dollars to buy gold from Uncle Sam.

The gold drain also reflects a continuing deficit in the U.S. balance of payments position. The balance of payments is the total of all this Nation spends, lends and gives abroad matched against all the payments it gets from foreign countries. So far this year, the U.S. deficit is running at an annual rate near \$2.5 billion. Bankers say this is still a high rate but is well under the \$3.7 billion deficit last year and the \$3.4 billion deficit in 1958.

The movement of short-term investment funds abroad could slow down or halt if an autumn pickup in business causes interest rates to rise here, Treasury officials suggest. Yet, there is a touch of nervousness in the Treasury about a possible change in foreign sentiment about the stability of the dollar. It's feared that promises and statements in the U.S. Presidential campaign about bigger Government spending and a "cheap money" policy could whittle foreign confidence in the dollar and stimulate new gold sales.

Dollars can be converted into gold at the rate of \$35 an ounce. Because of this easy convertibility, the dollar has become a standard currency around the globe for trade and to settle accounts among nations.

PSYCHOLOGICAL SETBACK AT \$19 BILLION?

Would a drop in the gold stock below \$19 billion cause a psychological setback, as some persons have suggested? "They said the same thing when it went below \$20 billion," snorts one top Washington monetary official.

There are indications the gold movement has had some influence on recent policies of the Treasury and the Federal Reserve Board, though officials of both agencies say it isn't accurate to put too much stress on it.

The Treasury, in its just completed refunding operation, used a cash refunding technique to limit an offering of 8-year bonds to \$1 billion. This, they say, prevented an excessive flow of funds away from the short-term investment area. A movement of funds away from the Treasury's short-term certificates could have resulted in a scarcity of short-term issues, thus increasing prices—and depressing yields—still more to widen the gap between rates here and abroad.

Gold also was a factor in the Federal Reserve's timing of its decision earlier this week to liberalize rules controlling reserves—and the lending capacity—of commercial banks. An outflow of gold tends to shrink bank reserves, since the foreign government buyers draw on their deposits at banks in this country to pay the Treasury for the

gold. It was assumed the gold outflow would continue in August and September. This, plus the expected seasonal currency drain on bank reserves in the fall, is considered likely to muffle the credit-expanding impact of the reserve requirement adjustments.

Mr. ELLENDER. Mr. President, I also ask unanimous consent that there be printed in the RECORD at this point in my remarks a portion of a Business Week summary entitled "International Outlook" for August 13, 1960, dealing with the balance of payments.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Washington is rather blue about the outlook for the U.S. balance of payments. Figures for the first 6 months, just released by the Commerce Department, indicate a bigger overall deficit for 1960 than had been expected.

The trade surplus for the first half year ran at a seasonally adjusted rate of \$3.4 billion—at least \$1 billion higher than the most optimistic estimates earlier in the year. But the overall deficit still was running at an annual rate of about \$3 billion, compared to an anticipated \$2.5 billion or less.

A heavy outflow of private capital is the problem. This has helped push the deficit for the month of July to \$400 million, and during this 1 month the United States lost \$176 million in gold. Seasonal tourist expenditures accounted for part of the problem in July. But there is no sign that the capital drain is tapering off.

Mr. ELLENDER. The fact is that our balance of payments deficit is due in large part to the economic prosperity which prevails in Western European countries—a prosperity which has been increased in large measure by billions upon billions of U.S. aid money flowing into these countries.

As an indication of this prosperity let me review some vital statistics concerning production and investments by these prosperous European countries. By using 1953 as a base point with an index of 100, the index of industrial production of the Western European OEEC countries increased to 131 by 1957, while the index of our own industrial production increased to only 107 during this period. Thus, it is easily seen that the industrial production of these countries is growing at a rapid rate, while our own is merely creeping along, on a relative basis.

Furthermore, while the United States has a gross national product which at the present time is in excess of \$500 billion, we are investing only about 15 percent of our GNP to expand our production base. On the other hand our European allies, excluding Greece, which under this bill will receive about \$745.1 million in military assistance subsidy are investing substantially more than we in the expansion of their production. For example, France is investing approximately 20 percent of its GNP. West Germany is investing approximately 25 percent and the other countries of Western Europe are investing percentages ranging from 20 to 25 percent of their GNP's.

Mr. President, this clearly indicates that these countries could be expending a good deal more for defense purposes than is presently the case.

What is the impact of these three factors on the military assistance program?

First, it is obvious that by sending U.S. dollars abroad for the purpose of subsidizing the defense programs of the Western European countries, the United States is permitting these Western European countries to devote more of their national resources to expanding production than would normally be the case. Second, this expanding production, coupled with lower comparative wage rates and lower standards of living in these countries, enable our so-called allies to invade U.S. foreign markets, to say nothing of the U.S. domestic markets.

Third, this worldwide hunting license on U.S. markets, both domestic and foreign, means that the United States will sell less both abroad and at home, without any reduction in expenditures or the outflow of U.S. dollars. In other words, while sending dollars abroad, we are permitting foreign countries to sell more goods in the United States and, to a great extent, further aggravate our already severe balance-of-payment problem.

In this connection, I ask unanimous consent that at this point in my remarks there be printed an article from U.S. News & World Report of August 15, 1960, entitled "Gold Flowing Out Again—What It Means."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From U.S. News & World Report, Aug. 15, 1960]

GOLD FLOWING OUT AGAIN—WHAT IT MEANS

There's a new drain on U.S. supplies of gold. Reserves are at a 20-year low. Why?

Demand for gold by foreigners has picked up. Some are moving funds out of low-yielding U.S. Treasury bills into foreign securities paying higher interest.

Is this a threat to the dollar? U.S. officials say there's no cause for alarm at the moment. Here are the facts:

Once again, the flow of gold out of the United States is on the rise.

In July alone, about \$178 million in gold was transferred out of this country's reserves and into foreign treasuries. That was the largest decline in gold stocks so far this year, and the heaviest rate of outflow since 1958, when more than \$2 billion in gold left U.S. hands.

Reserves of gold in the United States now total about \$19.2 billion—the lowest in more than 20 years.

As the chart on this page shows, possible claims of foreign owners of dollars against the gold reserve total \$18.5 billion. In other words, claims against U.S. gold are almost equal to all the gold this country owns.

The renewed drain on gold is causing concern among many people in this country, and in key financial centers abroad. It gives rise to such questions as these:

What brought on the latest outflow of gold? Does it indicate some worry, around the world, about the outlook for business in the United States? Does it mean the American dollar is losing some of its strength among the world's currencies?

• TROUBLE IN TRADE

A big part of the answer, it turns out, is tied to this country's deficit in foreign trade. In recent years the United States has paid out more each year to foreigners for imports, investments and economic aid than it has received from them for goods and services.

In 1959 this deficit in the balance of payments was \$3.8 billion. For 1960 the deficit will be about \$2.5 billion, based on trade figures for the early months of this year.

There are two chief ways for foreign countries to settle their trade balances with the United States.

One is to take payment in gold. Many countries have elected to do this in the past 2 or 3 years, though the cashing of dollars for gold in 1959 and the early months of 1960 was relatively small compared with the heavy drain on gold in 1958.

The other way is for private investors abroad, and the central banks of foreign countries, to hold their dollars in U.S. banks, or invest them in American securities including short-term obligations of the U.S. Treasury.

Because of the relatively high yields on such Treasury securities over the past year or two, foreigners have kept substantial sums invested here in the United States.

In the past few months, however, interest rates in the United States have declined. At the same time, interest rates abroad have gone up. As a result, some foreign investors have switched out of U.S. Treasury bills into foreign securities, including British treasury bills. As part of this movement of funds abroad, central banks in some cases are selling dollars and taking U.S. gold.

From a monetary authority in London comes this explanation of what has been happening.

"Interest rates in the United States have been reduced, partly as a measure to revive the sagging U.S. economy. Britain and other European countries, on the other hand, still are worried about inflationary pressures, and are keeping interest rates up. So anti-recession measures in the United States tend to drive out money seeking investment, at the very time that anti-inflation measures in Europe tend to attract it."

GOLD BUYING, TENSION

Another reason for the drain on U.S. gold is given by Treasury officials in Washington. That is the fact that, in recent weeks, a number of foreign governments have made substantial payments of gold to the International Monetary Fund. To keep their own gold stocks up, some of these governments, including that of Spain, have bought U.S. gold with the dollars they had on hand.

Two other reasons have been cited for the latest movement of gold from the United States, though monetary authorities tend to minimize their significance:

Troubles in the Congo, and the threat of spreading tension in Africa, may have persuaded some foreign holders of dollars to convert them to gold. Says one authority: "In times of crisis, foreign central banks often tend to build up their gold holdings. Americans, on the other hand, prefer to keep most of their savings in productive wealth, such as stocks, bonds, business concerns or real estate."

Domestic politics in the United States may be creating some uneasiness overseas. There have been hints from abroad that uncertainty over the spending and budgetary policies of a new administration in Washington next year may have accounted for some shifting of assets by foreign owners of U.S. dollars.

Despite the recent decline in gold reserves, there has been no evidence of a "run" on the dollar. One New York banker declares: "There is no greater worry abroad about the safety of the dollar than there was a year ago. The outflow of funds from the United States is a normal development, to take advantage of higher interest rates abroad."

In the past, U.S. officials have regarded an outflow of gold as something to be desired, rather than shunned, so long as the drain did not get out of hand. For many years the United States has held a disproportionate share of the free world's gold. Even today, U.S. gold stocks total almost half the entire free-world supply.

Lately, private gold holdings have been increasing in countries where currency con-

trols have been relaxed. This makes it necessary for central banks to build up their gold supplies. Gold-reserve losses occurred in some countries in 1959 and early 1960. These countries now are in a position to build up their reserves again.

Italy has been buying gold recently on the London market. Other countries which probably have added to their gold holdings recently, says a banking authority, are the Netherlands, France, Switzerland, and West Germany.

THE LONG-HAUL WORRY

While U.S. Government officials and private bankers are not unduly disturbed by the recent rise in claims against U.S. gold, they are concerned about the longer-term outlook for the U.S. economy—and the stability of the U.S. dollar—if this country continues to run a trade deficit year after year, or if future administrations resort to deficit financing on a large scale.

From Chairman John J. McCloy of Chase Manhattan Bank comes this comment:

"The plain fact is that a balance-of-payments deficit of \$3 to \$4 billion yearly is too much. It increases the claims against the U.S. at too rapid a rate, and it causes our creditors justifiably to take a close look at how we are managing things."

Edward M. Bernstein, former director of research and statistics for the International Monetary Fund, now a private economic consultant, says: "The reserve position of the United States is still deteriorating. The rapid growth in liabilities to foreigners on short-term dollar claims and on holdings of long-term Government securities is a threat to our international liquidity. It is of great importance to the world economy as well as to this country to avoid a serious impairment of the reserve position of the United States."

At the U.S. Treasury, officials believe the current outflow of gold is a temporary situation, tied largely to the disparity in interest rates between this country and Europe. They do not think it reflects any decline in confidence in the dollar.

These officials note, too, that gold sales thus far in 1960 are well below the \$566 million in sales for the comparable period of 1959.

Even so, the gold picture is being watched closely, for any signs that the drain on U.S. reserves is going beyond limits that are considered normal or desirable.

THIS IS THE GOLD PROBLEM

Since the beginning of 1958: U.S. gold reserve has shrunk by \$3.7 billion; gold on hand January 1, 1958, \$22.9 billion; gold on hand July 31, 1960: \$19.2 billion.

Possible foreign claims against U.S. gold have increased by \$3.6 billion; foreign claims January 1, 1958, \$14.9 billion; foreign claims July 31, 1960: \$18.5 billion.

Gold left over, free of foreign claims, has diminished by \$7.3 billion: Free gold January 1, 1958, \$8 billion; free gold July 31, 1960: \$7 billion.

But, U.S. gold must have on hand now, as backing for money, \$11.9 billion in gold.

Thus, if all claims were presented for payment in gold, United States would not have enough gold to go around and still maintain the reserve required by law against currency and deposits.

Actually it is highly unlikely that all these claims would be presented for gold. Nearly half of all the claims are privately held, and these would be paid in gold only if turned in through foreign central banks.

Still with possible claims continuing to rise, and the gold outflow now taking another spurt, the trend is becoming a matter of official concern.

(NOTE.—Dollar claims of international institutions, about \$4 billion, are excluded from foreign claims above, as only a portion of these claims is payable in gold.)

Mr. ELLENDER. Mr. President, this article states among other things, "that at the present time if all claims against U.S. gold reserves were presented for payments the United States would not have enough gold to go around and still maintain the reserve required by law against currency and deposits."

What I am stating now is nothing new. I pointed this out to the Senate in 1959, as well as in 1958. In 1958 I pointed out that for the first time since the War Between the States, over a period of almost 100 years, more dollars left this country than came in. The figure for 1958, as I will point out, indicates that we went in the red, so far as the balance of payments was concerned, by almost \$5 billion.

Last year, during 1959, the aggregate was \$3.7 billion. For the year 1960 we may be in the red by as much as \$3 billion. Anyone with common sense knows that we cannot keep this up and retain the way of life which has made America so great.

It is obvious that when we are confronted by a balance of payments problem, one of two things must occur. We must either reduce the flow of dollars from the United States, or we must increase our exports and, therefore, stimulate the flow of dollars into the United States. Actually, both should be done. Yet, realistically, this is not possible.

Mr. President, it is extremely difficult for us to export more goods abroad, sell more goods in foreign markets, when we are unable to meet the low-wage rates which foster competition abroad. As long as we are able to invest only 15 percent of our GNP into modernizing American plants, while Germany and other countries are investing between 20 to 25 percent for this purpose, it is obvious that we are moving backward instead of forward in this area.

Of course, the administration has fancy ideas about ways and means of selling more goods abroad and otherwise attracting more dollars into the United States, and some of these border on the ridiculous.

During this past week, the Secretary of Commerce, Mr. Mueller, and Assistant Secretary of State, Mr. Dillon, have both appeared before the Senate Appropriations Committee for supplemental funds to finance the addition of personnel both to the Commerce Department and the State Department who will be assigned the task of bringing about an increase in our exports to Western Europe and other countries of the world. This is patently absurd.

Salesmanship is always worthwhile but salesmanship is always subject to competitive pricing. Unless American goods are able to compete, pricewise with foreign products on the international market, all the salesmanship, all the salesmen obtainable cannot achieve increased exports. The fact is, that America's goods are not able to compete to the extent they should in free world markets. Germany, the United Kingdom and Japan enjoy lower wage rates and have capital plants that are either as modern as ours, or capital plants which are currently being made as mod-

ern as ours, by virtue of the ability of these countries to invest a high percentage of their GNP in capital plant expansion.

As I indicated earlier, it was my privilege to spend 28 days in Western Europe during the recent congressional recess. I was amazed at the tremendous economic progress I found in evidence there. Business is booming there. There is no such thing as unemployment, except in certain parts of Italy. Certain countries in Western Europe—to be specific, the Netherlands—are now importing labor from Italy.

How can we compete with these people, when the highest average hourly wage is 78 cents in West Germany and ours is \$2.71 an hour? I am not preaching that we should lower our standard of living. I am merely saying that since Western Europe has a wage scale so much lower than ours we cannot possibly compete on the open market, especially since billions of dollars of our taxpayers' money has been used to modernize European industry. In other words, we are subsidizing their industry, thus relieving them of that cost, and at the same time, we are trying to compete with them, although our wage scale is so much higher.

The sad thing about this is that we are still contributing to the OEEC fund. In this bill, we are making available a million dollars, to teach our so-called allies in Western Europe how to better dispose of the commodities they produce.

The chickens are coming home to roost. Unless we put a stop to this state of affairs, sooner or later we will lose our way of life. What has made America great is our native drive, our incentive to improve ourselves. But our high taxes will destroy that incentive. I do not want that to happen.

An article I read this week stated that of four contracts let for hydroelectric powerplants in this country, two were to foreign firms—one from Japan and one from the United Kingdom. The Japan contract, I might add, marks the first time in the history of the United States that Japanese industry will furnish machinery for U.S. hydroelectric powerplants. It should also be noted that the Buy-American Act was not applicable in these two cases because both bids were more than 6 percent below the lowest U.S. bid.

Mr. President, this is only a starter. Stop to recall that under the Buy American Act, if a foreign bidder makes a bid which is 6 percent under any American bid, the Buy American Act does not apply. Here we are confronted with a situation in which the Japanese, our former enemy, is in competition with us to the point where it is truly hurting American industry.

Japan is not the sole example of a former enemy's economic force, for West Germany, too, is an international economic power.

Mr. President, I ask unanimous consent to have printed at this point in the Record an article entitled "Now, in West Germany: A Driving Business-Oriented Society," published in the magazine Business Week of August 13, 1960.

The article declares that "West Germany, on almost any economic measure, has become the strongest of the free nations, after the United States."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NOW, IN WEST GERMANY: A DRIVING BUSINESS-ORIENTED SOCIETY

West Germany, on almost any economic measure, has become the strongest of the free nations after the United States. An aggressive new class of nonowner managers has provided the push for fantastic growth. Industrial workers, long lagging, now have high pay, high productivity, a rising living standard.

Apply almost any economic yardstick to West Germany today, just 15 years after the end of World War II, and that truncated country looks fantastically strong.

Take gross national product, exports, and currency reserves as measures of national economic power. West Germany, rather than Britain, now rates second to the United States among the nations of the free world. The German gross national product will reach an estimated \$61 billion in 1960 and will exceed Britain's for the first time since 1945. By last year, the West Germans already had edged the British out of second place in exports and passed them in reserves of gold and foreign exchange.

In terms of sheer economic weight, neither West Germany nor Britain (each with a population of 52 million) stands comparison with the United States. This is evident from gross national product estimates for 1960—\$510 billion for the United States, compared with \$61 billion for the Germans and \$60 billion for the British.

SOURCE OF EMBARRASSMENT

Even so, West Germany's economic power in the world marketplace has reached the point where it is a source of some financial embarrassment to the United States as well as to Britain. The return on German short-term investments is so attractive today that private capital has been moving from New York to Frankfurt for some months, strengthening the D-mark. Private capital also was moving from London to Frankfurt until the recent increase in the British bank rate.

JUSTIFIED CONFIDENCE

Moreover, there is no sign that this picture will change very much in the near future. No serious economic problems appear to lie ahead for the Germans, barring a disastrous slump in the free world.

Of course, top Government officials and economists in West Germany will talk, as they have for the past 10 years, about the threat of inflation that arises from the steady increase in wage levels. But, with the price level in Germany remaining as stable as it has anywhere else, the men who run German industry seem less concerned today about inflation than they have been for a long time. Businessmen exude confidence not only about the future of their own companies but also about the competitive strength of German industry as a whole.

INDICATORS OF STRENGTH

The physical evidence of economic strength and widespread prosperity can be seen all over West Germany—in the old strongholds of heavy industry in the Ruhr; in the automotive centers of Wolfsburg, Rüsselsheim, Stuttgart, and Cologne; in scattered chemical and electrical equipment plants; and in the growing network of highways, extra-high voltage powerlines, oil pipelines, and refineries that reach to all parts of the country.

The strength shows up, too, in the production and sales totals that are expected for 1960—35 million net tons of steel; 2 mil-

lion autos, trucks, and tractors; more than \$5 billion in chemical sales; some \$4.5 billion in electrical equipment sales. German industry will supply about 60 percent of continental West Europe's capital goods this year, pushing its total exports to approximately \$11 billion.

Current investment expenditures tell the same story. Volkswagen is spending \$120 million to expand its capacity to 4,000 units a day, while Opel (GM) is putting \$100 million into a new plant at Bochum in the Ruhr. The chemical industry's Big Three—Bayer, BASF, and Hoechst—together are spending close to \$250 million for plant expansion.

FRUITS OF PROSPERITY

At the same time, there has been a general trend to higher wages and shorter working hours. A recent French statistical study shows the average hourly wages (including fringe benefits) in West German manufacturing industry now are as high as in Britain and Switzerland, and are exceeded in Europe only by Sweden. Productivity, however, has been rising at least as fast as wage costs, so that total industrial costs haven't been much affected so far.

Rising wages show up in the higher consumption standards of the German worker and the white collar employee. The baby cars for which these workers traded their motorcycles or scooters 3 or 4 years ago now are being replaced by Volkswagens or some other car of the same class. Washing machines, refrigerators, and TV sets already are common in working class apartments and houses.

The postwar economic revolution in West Germany already has gone far enough to force the opposition party, the Social Democrats, to forsake their nationalization programs and shift unmistakably closer to the economic philosophy of Chancellor Konrad Adenauer's middle-of-the-road Christian Democrats. Adenauer, for his part, now is talking of the need for "increasing ownership in the broad masses of the people."

WORKER SACRIFICES

It is only in the past 3 or 4 years, of course, that the German working man has started to come into his own as a consumer. Until then, he received a considerably smaller share of the national cake than his counterpart in, say, Britain or France. The chief beneficiary was German industry. By being satisfied with this smaller share, say some observers, the German worker contributed more than anyone else to the country's strength, since he gave industry a chance to get solidly on its feet.

No doubt, some German workers feel they were compensated for their restraint in the earlier postwar years by having the Government impose the system of codetermination—an arrangement under which the unions have been able to choose up to 50 percent of the company directors in coal and steel and a smaller percentage in other industries. Interference with important management decisions has been negligible.

ECONOMIC MIRACLE WORKERS

The Adenauer government clearly deserves considerable credit for the West German "economic miracle" and the way it has been sustained. Men like Economics Minister Ludwig Erhard, Finance Minister Franz Etzel, and Bundesbank President Karl Blessing are highly skilled at guiding a national economy.

In one area, tax policy, the Adenauer government has been especially solicitous of private industry. It has encouraged enterprise with a scaled corporation tax, under which a company pays a smaller corporate tax on that part of its earnings paid out to stockholders. In this way, the investor is spared some of the double taxation that exists in the British and American tax sys-

tems. The Government also has granted tax benefits for new investment by allowing companies to set up nontaxable investment reserves. The effect is to exempt a large portion of corporate earnings from taxes.

The German businessman himself has taken full advantage of the breaks he has received in the past from his workers and the Government. Ever since the German currency reform of 1948, management has shown a drive and devotion to work that has scarcely been matched either in the United States or in Western Europe. Even today, the average German executive puts in longer hours than his American, British, or French counterpart. In return, he gets a high personal reward in terms of salary, of tax-free expense account, and other benefits.

Among West Germany's leading business figures of today, there are two fairly distinct types.

OLD INDUSTRIALISTS

On the one hand, there are the old standard bearers: Krupp, Siemens, and Flick. But of this trio, only old Friedrich Flick personally masterminds his diversified empire of steel, automobile, chemical, metal-working, paper, and aircraft companies. Both Alfred Krupp and Dr. Ernest von Siemens are more nearly figureheads than rulers in their respective empires of heavy engineering and electrical equipment. In Krupp's case, the power wielder is Berthold Bletz, a prominent member of the nonowner, manager class that has sprung up in postwar Germany.

NEW BREED OF MANAGERS

It is this new type of business manager who provides most of the drive in West German industry today, especially in the big companies that had their origins in the pre-war days. Hans-Guenther Sohl, who directs the Thyssen steel fortunes, belongs to this group. So do the chief executives of the Big Three in chemicals. Hans Boden of Allgemeine Elektrizitäts Werke (AEG) also fits this category, along with many others in somewhat smaller companies.

In addition, there are a number of self-made owner-managers. Max Grundig is one of these. He has personally built up a booming electronics company since the war, starting from a bicycle repair shop in southern Germany. Willy Schlieker parlayed his wartime experience as a "boy wonder armaments czar" into the most modern shipbuilding company in the country today.

"BUSINESS-ORIENTED SOCIETY"

Taken as a whole, the German businessmen are an extremely powerful group, with great influence in the Christian Democratic Party and the Government. They have given Adenauer, who is temperamentally bored with business and economics, the wherewithal to pursue his political objectives—resisting communism and building economic and political unity in Western Europe. And Adenauer, for his part, has paid attention to the needs of the business community, partly because of his close personal association with one or two of West Germany's leading bankers.

Perhaps this is only another way of saying that, for the first time in their history, the Germans have successfully developed a business-oriented society, with purposes and drives that aren't very different from those of American society. There was a similar development after World War I, but this was choked off by the Great Depression and the rise of Hitler.

There are differences, of course, between the business environment in West Germany and that in the United States. German businessmen don't have to live under nearly so strict anticartel laws. Nor do German managers have to pay so much attention to their stockholders, partly because the legal

requirements are less exacting and partly because ownership is far less widely distributed. In fact, a few leading West German bankers still play a large role in German industry, almost in the way that J. P. Morgan once did in the United States.

EMPHASIS ON TRADE

Another difference, and a more important one, is the emphasis that German industry puts on foreign business. This grows out of the much greater dependence West Germany has on foreign trade. It is probably this fact that accounts for what can only be described as a drive for economic power in the German business community.

An outsider who visits West Germany today can't fail to notice this power drive. It is as if a strong national ambition, which the Germans once dedicated to political-military expansion, now has been channeled into an economic groove. Making West Germany the top exporter in the world and making the deutsche mark the world's strongest currency seem to be the present goals of the German businessman, so far as his goals reach beyond personal gain and power.

On the surface, it may seem hard to square such national goals with the keen German interest in the six nation European Economic Community (EEC) and in European political unity. But German industry sees this as a bigger "domestic" market—that will be a useful base for gradually winning a larger and larger share of the world market.

German industrialists are supremely confident that they can compete successfully in any market with their rivals of the United States and Western Europe. They don't even fear Japanese competition, except in the domestic German market, and there Japanese goods are pretty well excluded.

OUTSIDE CRITICISM

However, German export successes don't sit too well with other big trading nations, including the United States and Britain. That's mainly because these successes have helped produce the large annual surplus in the German balance of payments and the steady gain—at other countries' expense—in German currency reserves. Another important factor is the \$1 billion a year the Bundesbank takes in from military expenditures in West Germany by the United States, Britain, France, and Belgium.

More and more, you hear complaints in Washington and London that, given its strong financial position, West Germany should either revalue the deutsche mark upward or contribute more to Western defense costs and to economic aid in the underdeveloped countries. The West Germans, the critics say, are not playing the role of good creditors.

These critics believe West Germany's recent loan of \$250 million (half in U.S. dollars, half in deutsche marks) to the World Bank is a step in the right direction. But there is still a feeling that the Adenauer government will have to do more if it is to show the kind of international responsibility that goes with great economic strength.

Mr. ELLENDER. Mr. President, it seems to me that the only thing we can do to relieve our balance of payments problem is to reduce our subsidies to those foreign countries which are well able to stand on their own feet—to reduce military aid to Western Europe. It is obvious that the argument offered in opposition to this position, to the effect that "we are only giving these people military hardware" is without any real merit.

To the extent that we donate hardware to foreign countries, such donations do

two things. First, they aggravate the balance of payments position of the United States, since U.S. goods are going out without any offsetting inflow of dollars or other media of exchange. Second, to the extent that we donate hardware to any foreign countries we relieve such countries of the obligation of buying such hardware and, in that manner, free their resources for other uses—uses which, in the case of Western European countries, permit the investment into their own economy of large percentages of their GNP's for plant modernization and capital development.

Mr. DWORSHAK. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. DWORSHAK. The Senator from Louisiana, as has been his custom for many years, is making a most informative and persuasive comment about our foreign aid spending program. It seems to me to be most tragic, when we consider that the bill embraces an expenditure of about \$4 billion, that only a few Senators are present in the Chamber to hear the Senator from Louisiana.

I wonder if the Senator from Louisiana has reached the same conclusion I have, namely, that there is very little interest in any appropriation bill which provides for the spending of billions of dollars; whereas, if the Senate were considering a very unimportant bill, probably a majority of Senators would be present.

Does not the Senator from Louisiana become deeply discouraged as he observes the complacency and the indifference displayed by Members of this body so far as the foreign-aid program is concerned?

Mr. ELLENDER. Mr. President, I have been a Member of the Senate for almost 24 years. I am used to talking to empty chairs, particularly when I attack such a sacred cow as our wasteful foreign-aid program; that is nothing new. However, I sometimes believe that, somehow, representative government has gone with the wind. Representatives are becoming prone to follow, either the dictates of the executive branch or certain pressure groups.

I wish other Senators could have been with me during the days I recently spent in Europe. If I were capable of telling this body the condition of the NATO Alliance, somebody would want to use a shotgun on those in charge of it. However, because of the high secrecy which applies to the so-called NATO agreements, contracts, obligations, and the like, I am unable to tell the Senate or the American people fully the conditions which now exist in Western Europe. In my opinion they are shameful. I wish I could be more specific. But as the Senator from Idaho [Mr. DWORSHAK] knows the information is classified "top secret."

While we have furnished Western Europe under the NATO agreement the same number of divisions we contracted for 10 years ago, our allies have been greatly reducing their own forces.

Lately, Belgium has said that she plans to reduce her contribution to the NATO Alliance. Of course, Belgium is not furnishing much, but she says she

will reduce the little she is furnishing. Why? Because of the Congo situation.

Mr. President, we can pour into the lap of Prime Minister Lumumba all the money we have in the Treasury—whatever we have left—and all the money we can borrow, but that will not solve the problem of the Congo, for the simple reason that they have no real leadership available. Imagine a country, as large as the western part of the United States from the Mississippi to the west coast, containing only about 20 college graduates. I think it is most tragic that the Belgians have left the Congo.

Mr. President, it was my privilege to visit the Belgian Congo in 1954. In my report to the Appropriations Committee later that year I placed the Belgian Congo at the top of the ladder of the colonies in Africa because of the accomplishments effected by the Belgians. They were doing a fine job, in my opinion. The Belgian Congo was divided into seven States, with a Governor General in charge of the entire Congo. Each of the seven States had a governor appointed by the Belgian King. Each of the seven governors of the seven States of the Congo worked hand in hand with the leading chiefs in the various States. In addition, 94 cents out of every dollar of profit made on any investment in the Congo was plowed back into the economy of the Congo, for its development. In other words, the Belgians did not permit anyone, not even their own people, to exploit the Belgian Congo. A reasonable profit of 6 percent on the investment was all that was allowed. Resources were being developed for the good of the local people. It is true the Belgians may have been slow in providing fancy schools and colleges, and so forth. But, Mr. President, I would like to point out that the Belgians were making a start in the right direction; if one visits almost any part of Africa, including Liberia, which has been a democracy for a hundred and ten years, one will see that very little progress has been made there except under the leadership of people from the Western World.

Mr. GRUENING. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Louisiana yield to the Senator from Alaska?

Mr. ELLENDER. Yes, Mr. President, I yield to my good friend.

Mr. GRUENING. Does not my colleague from Louisiana feel that a great mistake has been made by our own Government in not understanding that the word "colonialism" is not a blanket epithet of opprobrium, and that peoples that are wholly unprepared for self-government, that are primitive, inexperienced, illiterate, cannot be thrust into self-government suddenly without resulting chaos, and that the situation in a country such as the Congo or other newly born nation in Africa is totally different from the situation which existed in our country at the time the Thirteen Colonies launched their revolt against Old World colonialism and carried out the American Revolution? At that time our country was blessed with

such great leaders as Washington, Franklin, Jefferson, Madison, and Hamilton, who were among the most enlightened people of their time, or perhaps in all history.

But for the newly born nations of Africa to attempt to rely for leadership in self-government on those largely primitive African people, some of whom are scarcely "out of the trees"—

Mr. ELLENDER. In fact, many of them are still cannibals.

Mr. GRUENING. Yes; and to attempt to have them assume self-government and have it succeed is fantastic.

I hope that in connection with the situation of the new nations of Africa, the wise course of action proposed by President de Gaulle, of France, in regard to Algeria will prevail, and that the great heritage of European civilization may not be lost; otherwise chaos will certainly follow in those African nations—there will be independence but not freedom—and no amount of money which we may send there will prevent it.

This administration seems to have adopted the philosophy and the policy that the giving of money will cure all ills and solve all problems abroad. But certainly it will not, as we shall definitely discover following the fantastic performance in the Senate the other evening, when the Senate voted to the administration blank-check authority to spend half a billion dollars in Latin America without any plan, program or controls. We shall soon see that that money will be largely wasted and misspent, just as a large part of the other \$80 billion of foreign aid has been wasted and misspent.

So I hope Congress will exercise some checks over these expenditures in the future, even though there is very little prospect of doing so under this administration.

Mr. ELLENDER. Mr. President, I appreciate my friend's remarks. I agree with him. I think it is tragic that the wave of nationalism that has swept over Africa has made it possible for the reins of government to fall into the hands of people who, as the Senator from Alaska has said, are uneducated and do not understand right from wrong—

Mr. GRUENING. And can neither read nor write.

Mr. ELLENDER. Yes, can neither read nor write. When we speak to them of democracy and freedom, many of them think that means the freedom to go into anyone's home or store and help themselves to everything they might want. That is their conception of freedom.

Mr. GRUENING. That is correct.

Mr. ELLENDER. Mr. President, this situation is tragic. Regardless of how much money we might pour into such countries, it will not accomplish democracy as we know it.

As I pointed out in my previous remarks today about the Dominican Republic, even in South and Central America, where many people are well educated, it is impossible for democracy to be practiced in the way we know it in the United States.

May the good Lord save the people of wild Africa when attempts are made to force democracy upon them almost overnight. It will take several centuries to educate those people.

I certainly hope our country does not embark on a large-scale, long-range foreign-aid program to Africa, for if we do, we might as well kiss American liberty goodbye. If we take such a move we might as well hang the crepe on the door of private enterprise, because, Mr. President, our economy could not stand such a gigantic assault on the not unlimited resources of this country.

I hope that if any great amount of aid is given to the newly independent countries of Africa, it will be done through the medium of the United Nations, so that all the countries of the world which belong to that Organization can make their just contributions to the progress of these African countries.

In other words, Mr. President, we are spending our own strength, and in the process we are actually courting economic disaster both at home and abroad.

Even these circumstances might compel me to alter my position with regard to military aid to the countries of Western Europe if it could be shown that U.S. military assistance to those countries has the effect of stimulating defense spending on their own part. But such is not the case. On the contrary, Mr. President, last year, when we cut back military assistance to \$1.3 billion—a reduction of \$300 million from the amount requested by the administration, and most of the cut was applied against programs in the countries of Western Europe—what was the effect of the reduction? I will tell you, Mr. President: Practically every country in Western Europe increased its defense expenditures for the fiscal year 1960. That development must be measured against the record of previous years—years when U.S. defense subsidies to Western European countries were increasing. During those years, those countries, almost to a nation, reduced their own expenditures for defense.

In other words, the record bears out my contention that as U.S. military assistance goes up, the defense expenditures of the European countries go down. Furthermore, on the basis of the record last year—a year when the United States reduced defense subsidies to Western Europe—it seems clear that when the United States cuts back on arms subsidies there, then, and only then, will our so-called NATO allies begin to consider carrying more of their own loads.

Under the circumstances, Mr. President, I am convinced, even more than ever, that the only way we shall compel the countries of Western Europe to pay their own arms bill—the only way we shall stem the tendency on their part to let Uncle Sam pay their defense bills, while they broaden their capabilities to reduce U.S. exports in foreign markets—the only way quickly available to us to restore a favorable balance of payments—is for the United States to drastically reduce military aid to those countries.

At this point, Mr. President, I should like to discuss defense support.

Before I do so, Mr. President, I should like to say that we are spending for defense in the neighborhood of 11 percent of our gross national product. This is compared to less than 3 percent that Denmark is spending on defense. None of the countries of Western Europe spend more than 6 or 6½ percent of their gross national product on defense. If only those countries would spend, on the average, half of what we are spending, they would not need any additional funds from us to bolster their defenses.

But they regard the entire matter as political. They take the position that if they increase their defense expenditures, their governments may topple.

On the other hand, our administration takes the position that it is all very well for our country to go deeper and deeper into debt just so long as we keep pouring our dollars into these countries. Insofar as these countries of Western Europe are concerned, we seem to continue to bear the burden of their own defense, irrespective of the impact which all these expenditures will have on our own economy.

And now, I shall return to the item in this bill, known as defense support.

For fiscal year 1961 the administration requested \$724 million for defense support. The Congress authorized \$675 million, and the House allowed \$600 million for this purpose. The result of the Senate committee action was to appropriate an amount equal to the authorization.

Defense support, I might say, is economic aid pure and simple. It goes to those countries which have defense alliances with the United States. If these countries did not have alliances with the United States, this aid would not be called defense support, but would be described as special assistance.

Special assistance, I might also remark, is merely another fancy name for economic aid. So I preface my remarks, in this connection, with the reminder that, although I am presently discussing what the administration likes to call defense support, I am really dealing with economic aid. This aid, despite the nomenclature "defense support" does not consist of military equipment or military supplies of any other nature, or military training in any form. It involves commodities, equipment, and, in some instances, direct cash payments—that is, dollar gifts for the economic enhancement of the recipient countries.

The 12 countries programed to receive defense support for fiscal year 1961 have been recipients of the largest amount of grant aid from us in the past. In fact, Mr. President, if we did not appropriate another dollar for defense support, the pipeline available for expenditure in these countries, including funds available through the Development Loan Fund and title I of Public Law 480, would aggregate almost \$1.5 billion. According to figures furnished the Senate Appropriations Committee by the ICA, the unexpended balances in the defense support appropriation alone amounted to \$805,012,000 as of June 30, 1960. In addition, the unexpended balances in the

Development Loan appropriation programed for these very same countries, which receive defense support, amounted to \$440,509,283, at that same date. Furthermore, these very same countries are programed to receive \$209 million under title I of Public Law 480. If these amounts are added together, the total funds available for expenditure in these countries, excluding the amount appropriated in this bill, amount to \$1,454,-521,283.

Mr. President, these data prove what I have long maintained:

First. Defense support, which is purely and simply economic aid, continues to flow in huge amounts to countries which we have aided substantially, if not enormously, over the last 6 to 7 years.

Second. The total amount of funds available for expenditure for this purpose, despite the creation of the Development Loan Fund, has not been reduced, but, if anything, remains stable and, in many cases, has actually been increased.

Third. This element of the bill, as well as title I—that is, the provision for military assistance—promises a further drain on our already diminishing gold resources. It is not inappropriate to point out that quite a few of the countries scheduled to receive gifts of American dollars under the guise of defense support are actually using our donated dollars to purchase goods from American competitors—principally Western European countries, which are also on the U.S. dole. Simply put, defense support involves not only dollar donations to underdeveloped countries, but, also, because most of these dollars are spent in Western European countries to purchase goods and equipment from those countries, defense support is an additional subsidy to our already heavily subsidized Western European competitors.

I should not have to repeat what effect the expenditure of defense support dollars in Western European countries has on our balance-of-payments problem.

It should also be noted that here, again, Uncle Sam is "playing patsy." When Western Germany, for example, sets up credits in foreign countries, it does so with the restriction that these credits be utilized only in Western Germany, but when Uncle Sam goes forth into the world throwing dollars around like a drunken sailor, we refuse to do the same. How long this can continue I do not know, but, I repeat again, defense support as well as the other sections of the pending bill involve a wholesale squandering of U.S. funds without any benefit to our economy or to our security.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. ELLENDER. My time is limited.

Mr. GRUENING. Very briefly. I merely wish to call attention to the fact that the entire body of the Senate now on the floor is in sympathy with the Senator's view of the shocking waste that is committed, and it might be appropriate to have a motion to table the bill.

Mr. ELLENDER. I do not know what views the Presiding Officer might have on such a motion. [Laughter.]

The next section of the bill to which I desire to refer is "special assistance."

Special assistance, as I have already remarked, is another type of dollar donation. It goes to countries which do not have defense alliances with us and, as is the case with defense support, involves no restriction on where our dollars may be spent.

Again, in many instances, these dollars are spent in Western European countries and, as a result, are transformed into supplemental economic aid to those countries.

At the risk of being facetious, I might also say, as to special assistance, that it offers assurance that any country which might not otherwise have a pipeline to the Federal treasury is given one.

The bill, as reported by the Committee, appropriates \$256 million for "special assistance." The bulk of this will go to four countries: Morocco, Libya, Jordan, and Afghanistan. Special assistance to Libya and Morocco used to be justified as a kind of "hush" money—a rental payment for U.S. airbases there. However, since our airbases are being closed out, it would seem that perhaps the rental payments should be terminated. Unfortunately, such is not the case. Uncle Sam is probably the only lessee in history who continues to pay his rent while he is moving out his furniture.

Mr. President, I do not wish to dwell on this section of the bill dealing with special assistance to any great extent except to say it also includes substantial contribution to six countries located to the south of us. We have heard quite a bit lately about U.S. economic aid to Latin American countries. But in this bill under the category of special assistance relatively large amounts of money are proposed to be appropriated for Bolivia, Brazil, Guatemala, Haiti, Paraguay, and the West Indies. These allocations, I might point out, are not new; they have occurred in previous years. Yet, there are those who say we are "neglecting" Latin America.

Again, at the risk of being facetious, I would like to make the record clear that my own State of Louisiana would be delighted to be "neglected" in this manner.

The next portion of the bill is the contingency fund.

This fund, Mr. President, is somewhat like the old story about the college boy's jealousy—"a wreck looking for some place to happen."

The contingency fund, through the consummate salesmanship of the Department of State, has been purveyed to the Congress in years past as a means according flexibility to American policy abroad—a repository for noncommitted funds, a means of permitting the President to react quickly to any unforeseen events which might occur. In other words, it might almost be said that the contingency fund is "a crisis looking for a place to happen."

When the House considered this bill, it approved \$150 million—the full amount of the authorization—for contingencies. Of course there were no plans available as to how these funds might be spent because, as a Department

of State spokesman put it, one could not predict where the next crisis might occur.

Between the time the House passed the bill and our Appropriations Committee marked it up, a crisis had developed in the Congo. Quite a few of us, upon reading of events there in the newspapers, must have felt that "Well, this will be taken care of when we give the President his contingency fund." But, lo and behold, upon our return to Washington, we were told that since a contingency had developed, more money would be required. Why it is that \$150 million originally earmarked for contingencies should have to be almost doubled, upon the appearance of a bona fide contingency, would seem to be—as Churchill once so picturesquely stated—"a riddle wrapped in a mystery inside an enigma."

Reference to my remarks during original consideration of the authorizing legislation earlier this year will prove that this apparent riddle is easy to answer. The contingency fund was never really designed as a means of meeting world crises but, rather, was used solely and simply as a separate "slush fund," out of which the President could restore at least part of any cuts which the Congress might impose in other titles of the bill. I dislike making such a statement, but the facts fully support it because, last year, a year when there was, thankfully, no real world crisis which had not been foreseen, large portions of congressional reductions in military assistance and defense support assistance were overcome by the simple expedient of the President dipping into the contingency fund and transferring contingency fund money to those mutual security appropriations.

On Friday, August 19, the Senate apparently decided to go along with the administration's plea by authorizing a \$100 million increase in the contingency fund to help meet the crisis in the Congo. I opposed this \$100 million increase, Mr. President, because it struck me that if \$100 million was the sum required to meet certain difficulties in the Congo, this sum could be taken from the appropriation recommended by the House of \$150 million and still leave a surplus of \$50 million to meet any subsequent crisis. In other words, I took the position that the contingency fund should be used for contingencies; that the Congo situation was the only contingency which had developed, and that the necessary funds to meet developments there could be drawn from the \$150 million contingency authorized earlier, for which an appropriation had been approved by the House.

I also insisted that in the light of the administration's previously announced determination to use \$100 million in the Congo to finance various projects in that country, through the United Nations, the United States should hew to the line on its previous position to the effect that U.S. contributions to U.N. projects should be limited to one-third of the total cost of such projects.

Senators will recall that we had an unfortunate experience with a previous

U.N. effort—UNRRA. UNRRA was supposed to be an international cooperative relief program; all members of the U.N. were to join in it and help finance it, but in its application this theory was lost. As matters worked out, Uncle Sam paid the bills and Russia and other countries got the lion's share of the credit. With this in mind, I determined that the same mistake should not be made in the Congo, and insisted on tying "strings" to our aid.

Although I lost my fight in committee as to a specific percentage, I believe I won a victory for the people of our country in principle. As reported, the bill stipulates that in no event can our contributions to the United Nations for use in Africa exceed more than 40 percent of the total contributions to the United Nations for such programs. Furthermore, language was added in the committee report expressing the intent of the committee that this 40-percent figure should be regarded as a ceiling and that it should be reduced to one-third as soon as possible.

Actually, Mr. President, a strong case could be made for refusing any aid to the Congo until Premier Lumumba purges himself of the contempt he has displayed for the United States, the U.N. Secretary General and for our own Ambassador. It goes without saying that a nation that permits the wanton bludgeoning of United Nations troops, a nation which greets a U.S. Ambassador with a bayoneted rifle and refuses to permit him to keep a previously made appointment—should be denied assistance entirely. Unfortunately, such is not the policy of this Government. We are too soft. We rush in to give assistance irrespective of the impact that these enormous expenditures will have on our own economy.

I might also remark that I refrained from offering an amendment designed to specify that the 50-50 shipping clause should apply to the transportation of goods or commodities to Africa, purchased out of the proceeds of our contribution to the U.N. for that purpose, upon learning that the Foreign Relations Committee staff is of the opinion that such clause remains applicable. As I understand the situation, the 50-50 shipping clause applies to all programs authorized under the Mutual Security Act, including the contingency fund, unless expressly waived by law, as was the case with the Indus Basin project. Thus, since our contribution of \$100 million to the U.N. for use in Africa comes from the contingency fund, goods purchased with such contribution remain subject to the 50-50 shipping requirement.

Mr. President, I have spoken more in detail than I originally intended, and I do not wish to dwell to any great extent on the Development Loan Fund. I do wish to say that, when originally submitted to the Congress, the Development Loan Fund was said to be a program in which all of the "soft" loans administered by the United States could be concentrated, and further, that creation of the Development Loan Fund would permit shifting U.S. aid from a grant to a loan basis.

I have already remarked upon the fact that neither special assistance nor defense support have been appreciably reduced since the creation of the Development Loan Fund. As a matter of fact, special assistance of a project nature has increased from \$42.6 million in 1956, to a proposed \$123 million in fiscal 1961. Defense support would seem to show, on its face, a small reduction since 1956, but this reduction is more apparent than real, since Public Law 480 local currency uses have frequently more than offset any reduction in direct dollar appropriations.

In any event, the committee has included in its report language which, if observed by the administrators, will reinstate the policy under which the Congress was told the Development Loan Fund was to operate at its inception. I quote from the committee's report:

This fund was created by the Congress in 1957 as a separate and distinct corporate entity. It was established primarily as the instrument to be used to provide capital for the long-term economic growth in the less developed countries. In fulfilling this purpose the Development Loan Fund is intended to gradually displace project-type grant assistance provided in both the defense support and special assistance appropriations.

While this, in my opinion, is a salutary development, I am concerned at the wholesale propagation taking place in U.S. lending agencies. In addition to the Development Loan Fund, we have recently created the so-called Inter-American Bank. Earlier this year, the Congress authorized our participation in the International Development Association, which purports to do on a multilateral basis what the Development Loan Fund was created to do on a bilateral basis.

On Friday, August 19, the Senate took another step toward creating more duplication in U.S. foreign lending agencies, by authorizing the issuance of a blank check in the amount of \$500 million to the President, for use in Latin America, plus \$100 million for Chilean disaster relief. Fortunately, before this check is endorsed, the Appropriations Committee will, I understand, take a long, hard look at what is involved. Why this program should have been authorized at all is beyond my comprehension. Even the distinguished chairman of the Committee on Foreign Relations professed a "lack of enthusiasm because of the vagueness of this proposal."

No one has advocated and supported increased United States-Latin American cooperation more than the senior Senator from Louisiana. Louisiana is the gateway to Latin America; the Port of New Orleans is the great funnel through which goods between the two continents must be exchanged, but the piecemeal approach, the patchwork policy, which has characterized our relationships with the countries to the south of us bodes no good for American interests or American friendships there.

I believe I know a little bit about the people of Latin America and the way they think. They are proud people, and

in their hearts, I am convinced that they harbor a spirit of friendship for the people of the United States.

It is true that in recent months evidences of dissatisfaction with some American policies have been noted there, but dissatisfaction with American policies will not be overcome by an increase in U.S. gifts to these people. Latin America does not want, nor does Latin America need, charity. The nations of Latin America abound in natural resources. All the people there want is an opportunity to develop these resources for their own betterment. Exploitation must not be permitted; development must be fostered.

This development cannot feasibly be accomplished through gifts of money. The people of Latin America are not for sale, and it ill behooves a great country, which likes to think of itself as a good neighbor, to try to buy allegiance or friendship, to say nothing of respect, in this part of the world.

I fear that the same old dollar balm which has been purveyed in other areas by the present administration is being introduced into Latin America and, as has been the case in other parts of the world, this treatment is going to result in more strife, not less; in more bitterness, not more friendship; in less regard for U.S. policies, not more respect for the objectives which we profess.

Much is said of a Marshall plan for Latin America. Mr. President, we have poured billions into Europe through the European Marshall plan. We are today reaping our harvest of dislike, discord, and burgeoning restrictions against trade with the United States.

We tried wholesale donations of money in the Middle East. Never before has the Soviet Union been stronger in that part of the world.

We lavished American dollars on southeast Asia. Laos, whose army was in our pay, has revolted, and a neutralist government has been created there. The Government of South Korea, which, only 2 years ago, the State Department was hailing as a model of freedom, has fallen—the victim of vice, graft, bribery, thievery and wholesale vote stealing. Throughout the Far East, in countries which were at one time friendly toward the United States, a spirit of neutralism, if not actually dislike, is rampant. Do we want the same to happen in Latin America? Can our security survive such developments there?

On the other hand, if we embark upon a program of lavish gifts, based upon the principle that friendship and respect can be bought and sold in the arena of economic aid, how long will it be before we are called upon to undertake a Marshall plan for Africa? Newly independent governments desirous of dollar gifts know full well that the quickest way to prevail upon Uncle Sam to "come across" is to indulge in a dalliance with international communism. It worked with India and it is apparently working in some areas of Latin America.

I say today, Mr. President, that once we add Latin America to our dole; once we put Africa on the American hand-out list, none of the free world, to say

nothing of the United States alone, possesses sufficient wealth to appreciably raise living standards in all of these areas. The entire treasure of the United States could be dumped into Africa and never be found again.

Mr. President, as I indicated when I began this address, I did not propose to offer any amendments to this bill today—for a number of reasons—not the least of which is that I fear an atmosphere of almost hysteria prevails among some Members of the Congress, to say nothing of the administration, but I plead with Senators to think upon these issues for themselves. Dollars are no substitute for a sound foreign policy; we have tried that approach and failed.

The Congress must not permit the administration to compound previous mistakes by according to them our endorsement and support. Foreign aid has not won friends in the past, nor will it win friends in the future, and I urge Senators to join with me in voting against this bill in the hope that a new approach will be engendered. Only through defeating existing programs can we compel a reexamination of our attitudes toward foreign lands; only through failing to implement an outmoded and long discredited policy can we force its abandonment.

Mr. President, I renew my motion.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYDEN. Mr. President, I yield 30 minutes to the Senator from Alaska.

NO NEW STARTS AT HOME—UNLIMITED NEW STARTS ABROAD

Mr. GRUENING. Mr. President, from time to time, since the first of the year, I have risen on the floor of the Senate to discuss the double standard which the Eisenhower-Nixon administration has been following.

Under this double standard, funds in amounts running into the billions have been requested by the Eisenhower-Nixon administration on a "no cuts permitted" basis for the very same type of projects which, when suggested for the United States, are roundly condemned by that same Eisenhower-Nixon administration as wasteful, unnecessary and as tending to unbalance the budget.

For 7½ years now the Eisenhower-Nixon administration, through the use of the veto or the threat of a veto, has managed to prevent the adoption of legislation which would have provided adequately for domestic programs in such fields as education, water pollution control, public works, forest preservation and development, airports, housing, highways, area redevelopment, the development of the Nation's coal resources, and so forth.

And all during these same 7½ years the Eisenhower-Nixon admin-

istration has been urging more and more appropriations for projects abroad in exactly these same fields but without the far tighter budgetary controls exercised by the Congress over domestic programs.

Mr. President, at this point, I wish to review very briefly the record of the Eisenhower-Nixon double standard in some of these fields.

First let us consider the field of education.

During its first 2 years in office, the Eisenhower-Nixon administration—with a Republican Congress—did not even offer a program of Federal aid to education, even though President Eisenhower on October 9, 1952—approximately a month before his election—had stated that "1,700,000 American boys and girls" were "without any school facilities."

Was it any wonder that the Secretary of one of our departments of Government during that period earned the nom de plume of Secretary of the Department of "Not Too Much" Health, Education and Welfare?

In 1955 the Eisenhower-Nixon administration presented to the Congress a school aid program which would have been of great benefit to the bond market but not the Nation's schoolchildren.

The years that followed showed indifference and opposition on the part of the Eisenhower-Nixon administration to the enactment of an adequate bill providing for Federal aid to education.

This very year saw the Vice President himself break a tie in the Senate to vote against Federal aid for teachers' salaries although teachers' salaries were included

for foreign countries in the foreign aid program.

Was the Eisenhower-Nixon administration similarly indifferent and opposed to sending U.S. dollars abroad to meet education needs there?

It was not.

Since fiscal year 1955, over \$131 million—American dollars—have been spent on educational projects abroad.

While millions of American schoolchildren faced, and continue to face, the hard realities of overcrowded classrooms, half-day sessions, and overworked, underpaid and sometimes undertrained schoolteachers and the Eisenhower-Nixon administration was cynically playing the game of attaching civil rights riders to school aid bills and then voting overwhelmingly against the bill itself, that same Eisenhower-Nixon administration was approving such projects as \$660,000 in fiscal year 1955 for aid to education in Iran, \$49,656,900 for fiscal years 1955 through 1959 to aid the educational system in Nationalist China, and \$1,091,000 in fiscal year 1958 alone for the educational system in Korea, and so on and on.

Those are only a few examples of a great many.

I ask unanimous consent that there be published at this point in my remarks a tabulation and recapitulation which I have had prepared showing the foreign aid projects in the field of education from fiscal year 1955 through fiscal year 1959.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—Recapitulation—Mutual security grants for education, by continent and fiscal years 1955 to 1959, inclusive

Continent	Fiscal year 1955	Fiscal year 1956	Fiscal year 1957	Fiscal year 1958	Fiscal year 1959	Cumulative through fiscal year 1959
Far East.....	\$5,159,800	\$10,979,784	\$13,037,000	\$11,682,000	\$9,981,000	\$50,839,584
Near East and Asia.....	7,693,162	8,341,523	7,081,000	6,311,000	8,532,000	37,958,685
Africa.....	1,191,480	2,304,433	4,357,000	5,905,000	6,005,000	19,762,913
Europe.....	151,853	78,128	20,000	102,000	130,000	481,981
Latin America.....	2,546,266	3,675,072	4,146,000	4,540,000	4,574,000	19,381,338
Total.....	16,742,561	25,278,940	28,641,000	28,540,000	29,222,000	128,334,501
Asian Economic Development Fund.....				2,923,000	400,000	3,323,000

Prepared by the office of Senator ERNEST GRUENING (Democrat, of Alaska) from information furnished by IOA.

EDUCATION		Fiscal year 1956	
(62) Vocational Agriculture Education		FAR EAST	
Fiscal year 1955		Cambodia: Food and nutrition training course.....	
FAR EAST		China: Improvement of vocational agricultural schools.....	
China: Improvement of vocational agriculture school.....		Establishment of vocational agricultural teacher training department, TOA.....	
Philippines: Vocational agricultural training.....		Philippines: Vocational agricultural training.....	
Thailand: Vocational agriculture.....		Thailand: Improvement, vocational agricultural schools.....	
NEAR EAST, AFRICA, AND SOUTH ASIA		NEAR EAST AND SOUTH ASIA	
Iraq: Vocational agricultural education.....		Afghanistan: Vocational agricultural education.....	
Israel: Study methods of agricultural education, participant.....		Jordan: Agricultural education.....	
Jordan: Kadoori Agricultural School.....		AFRICA	
Libya: Vocational agricultural education.....		Libya: Vocational agricultural education:	
LATIN AMERICA		Cyrenaica.....	
Bolivia: Vocational agricultural education.....		Tripolitania.....	
Vocational agricultural school in Montero.....		EUROPE	
Honduras: Vocational agricultural education.....		None.	
Education in crafts and trades.....		LATIN AMERICA	
Nicaragua: Rural and elementary education.....		Bolivia: Practical vocational agricultural school at Montero.....	
Overseas territories:			
British Honduras: Vocational agricultural education.....			
Jamaica: Vocational agricultural education.....			

<i>Fiscal year 1956—Continued</i>		<i>Fiscal year 1958</i>		<i>Fiscal year 1956—Continued</i>	
El Salvador: Agricultural education.....	\$26,800	FAR EAST		Guatemala: Rural elementary teacher training (SCIDE).....	\$35,500
Honduras: Vocational agricultural education (education cooperative service).....	31,000	China (Taiwan): Home economics education.....		Rural socio-education development (SCIDE).....	31,000
Education in crafts and trades (education cooperative service).....	66,540	NEAR EAST AND SOUTH ASIA		Honduras: Rural elementary teacher training (education cooperative service).....	39,090
<i>Fiscal year 1957</i>		India: Assistance to home science education and research.....		Rural normal school development (education cooperative service).....	71,200
FAR EAST		AFRICA		Nicaragua: Education, rural and elementary.....	115,040
China (Taiwan): Improvement of vocational agricultural schools.....	79,000	No projects.		Panama: Elementary (rural) education.....	206,400
Establishment of vocational agricultural teacher training department, Taiwan Provincial College of Agriculture.....	26,000	EUROPE		Paraguay: Elementary teacher education.....	103,418
Philippines: Vocational agricultural training.....	219,000	No projects.		<i>Fiscal year 1957</i>	
NEAR EAST AND SOUTH ASIA		LATIN AMERICA—OVERSEA TERRITORIES		FAR EAST	
Afghanistan: Vocational agricultural education.....	121,000	<i>Fiscal year 1959</i>		Laos: Elementary education.....	145,000
Jordan: Agricultural education.....	26,000	FAR EAST		Philippines: Elementary curriculum development.....	66,000
LATIN AMERICA		China (Taiwan): Home economics education.....		Thailand: Elementary education.....	404,000
Bolivia: Vocational agricultural education project.....	49,000	NEAR EAST AND SOUTH ASIA		Vietnam: Elementary education.....	351,000
Honduras: Vocational agricultural education.....	19,000	India: Assistance to home science and research.....		NEAR EAST AND SOUTH ASIA	
Education in crafts and trades (education cooperative service).....	90,000	OVERSEA TERRITORIES		Egypt: Training of teachers for rural elementary schools.....	33,000
<i>Fiscal year 1958</i>		United Kingdom: Women's occupational training center.....		India: Assistance to the National Institute of Basic Education.....	23,000
FAR EAST		EUROPE		Lebanon: Rural teacher college.....	1,000
China (Taiwan): Vocational agricultural education.....	101,000	None.		AFRICA	
Philippines: Vocational agricultural training.....	143,000	LATIN AMERICA		Ethiopia: Ethiopian teacher education.....	50,000
NEAR EAST AND SOUTH ASIA		(64) Elementary Education		Libya: Rural education.....	15,000
Afghanistan: Vocational agricultural education.....	96,000	<i>Fiscal year 1955</i>		Teacher education.....	435,000
Iraq: Advisers in agricultural education.....	25,000	FAR EAST		Do.....	700,000
Jordan: Agricultural education.....	103,000	Cambodia: Rural education demonstration and training program.....		LATIN AMERICA	
Khadouri Agricultural School.....	235,000	Philippines: Elementary curriculum development.....		Bolivia: Rural education project.....	124,000
AFRICA		NEAR EAST, AFRICA, AND SOUTH ASIA		Brazil: Brazilian-American assistance to elementary education.....	132,000
Tunisia: U.S. rural teacher training program (French language).....	18,000	Egypt: Training of teachers for rural elementary schools of Egypt.....		Elementary education.....	135,000
EUROPE		Ethiopia: Teacher education.....		Costa Rica: School of education development project.....	20,000
No projects.		Iraq: Education—Elementary Teachers Institute.....		Dominican Republic: Development of community school concept in rural education.....	40,000
LATIN AMERICA		Israel: For teacher training workshops.....		Ecuador: USOM cooperative education service.....	72,000
Bolivia: Vocational agricultural education project.....	55,000	Libya: Elementary education.....		Rural education teacher training.....	92,000
Honduras: Vocational agricultural education (education cooperative service).....	19,000	LATIN AMERICA		Urban education teacher training.....	44,000
Education in crafts and trades (education cooperative service).....	121,000	Bolivia: Indian school nucleos.....		Education division administration.....	52,000
<i>Fiscal year 1959</i>		Rural normal schools project—Education service.....		Honduras: Rural elementary teacher training.....	19,000
FAR EAST		Teachers' workshops.....		Rural normal school development.....	49,000
China (Taiwan): Vocational agricultural education.....	462,000	Ecuador: Rural education teacher training.....		Nicaragua: Education, rural.....	105,000
NEAR EAST AND SOUTH ASIA		Urban education teacher training.....		Panama: Elementary (rural) education.....	99,000
Afghanistan: Vocational agricultural education.....	64,000	Education division administration.....		Paraguay: Elementary teacher education.....	123,000
Iraq: Advisers in agricultural education.....	38,000	Honduras: Rural elementary teacher training.....		<i>Fiscal year 1958</i>	
Jordan: Agricultural education.....	54,000	Rural normal school development.....		FAR EAST	
AFRICA		Panama: Elementary (rural) education.....		Cambodia: Preparation of textbooks and teaching aids.....	1,000
Tunisia: U.S. rural teacher training program (French).....	2,000	Paraguay: Elementary teacher education.....		Laos: Elementary education.....	365,000
EUROPE		<i>Fiscal year 1956</i>		Thailand: General education development.....	497,000
None.		FAR EAST		Vietnam: Elementary education.....	125,000
LATIN AMERICA		Cambodia: Preparation of textbooks and teaching aids.....		NEAR EAST AND SOUTH ASIA	
Bolivia: Vocational agricultural education project.....	52,000	Rural demonstration and training.....		India: Assistance to the National Institute of Basic Education.....	2,000
Colombia: Vocational agricultural education.....	24,000	Laos: Elementary education.....		AFRICA	
Honduras: Vocational agricultural Education (education cooperative service).....	24,000	Philippines: Elementary curriculum development.....		Libya: Teacher education.....	52,000
Education in crafts and trades (education cooperative service).....	95,000	Thailand: Curriculum development—Chachoengsao.....		Morocco: Rural teacher training.....	21,000
(63) Home Economics Education		NEAR EAST AND SOUTH ASIA		EUROPE	
<i>Fiscal year 1955</i>		Egypt: Education—teacher education (grades 1-6).....		No projects.	
FAR EAST		Education post primary schools.....		LATIN AMERICA	
Philippines: Home economics training.....	83,000	Jordan: Bedouin education.....		Bolivia: Rural education project.....	115,000
NEAR EAST, AFRICA, AND SOUTH ASIA		Lebanon: Rural teacher college.....		Brazil: Brazilian-American assistance to elementary education.....	75,000
India: Home science education and research.....	703,000	AFRICA		Do.....	180,000
<i>Fiscal year 1956</i>		Ethiopia: Teacher education.....		Costa Rica: University of Costa Rica assistance (school of education development project).....	24,000
FAR EAST		Libya: Elementary education, Cyrenaica.....		Dominican Republic: Rural education.....	53,000
China (Taiwan): Improvement of home economics teacher training department (TPNU).....	10,000	Elementary education, Tripolitania.....		Ecuador: Rural education teacher training.....	109,000
NEAR EAST AND SOUTH ASIA		EUROPE		Urban education teacher training.....	39,000
India: Home science education and research.....	13,740	None.		Education division administration SCIE.....	47,000
AFRICA		LATIN AMERICA		Guatemala: Teacher training program.....	300,000
None.		Bolivia: Construction of Mineros rural school education service.....		Honduras: Rural elementary teacher training (education cooperative service).....	16,000
EUROPE		Rural normal school project.....		Rural normal school development (education cooperative service).....	38,000
None.		Teachers workshops and all other inservice training—Education service.....		Nicaragua: Rural and elementary education.....	93,000
LATIN AMERICA		Brazil: Elementary education.....		Panama: Elementary (rural) education.....	117,000
El Salvador: Education in home economics.....	22,700	Dominican Republic: The development of community school concept in rural education (SCIDE).....		Paraguay: Elementary teacher education.....	73,000
Guatemala: Home life education (SCIDE).....	17,260	Ecuador: USOM cooperative education service.....		<i>Fiscal year 1959</i>	
<i>Fiscal year 1957</i>		Rural education teacher training.....		FAR EAST	
NEAR EAST AND SOUTH ASIA		Urban education teacher training.....		Laos: Teacher training.....	384,000
India: Assistance to home science education and research.....	11,000	Education division administration.....		Thailand: General education development.....	410,000
				Vietnam: Expansion and improvement of elementary education.....	197,000
				NEAR EAST AND SOUTH ASIA	
				India: Assistance to National Institute for Basic Education.....	

Fiscal year 1959—Continued

AFRICA	
Liberia:	
Teacher training.....	\$508,000
Rural school development.....	79,000
Libya: Teacher education.....	179,000
Morocco: Rural teacher training.....	34,000
Tunisia:	
Assisting Tunisian textbook preparation.....	11,000
Bilingual normal school teacher training.....	50,000
Elementary school assistance.....	6,000

EUROPE	
None.	
LATIN AMERICA	
Bolivia:	
Rural education project.....	106,000
Brazilian-American assistance to elementary education program.....	75,000
Elementary education program.....	160,000
Colombia: Primary education.....	35,000
Costa Rica:	
University of Costa Rica assistance (School of Education development project).....	20,000
Ministry of Education assistance normal education (elementary).....	46,000
Dominican Republic: Rural education.....	84,000
Ecuador:	
Rural education teacher training.....	47,000
Urban education training.....	34,000
Education division administration.....	111,000
Honduras:	
Rural elementary teacher training.....	40,000
Rural normal school development.....	34,000
Nicaragua: Rural and elementary education.....	128,000
Panama: Elementary (rural) education.....	102,000
Paraguay: Elementary teacher education.....	80,000

(65) Secondary Education

Fiscal year 1955

NEAR EAST, AFRICA, AND SOUTH ASIA	
Iran:	
Training Iranian nationals.....	810,974
Secondary education support.....	160,000
Iraq:	
Commercial and scientific education.....	110,000
Education-secondary teachers institute.....	2,384

Fiscal year 1956

FAR EAST	
China (Taiwan): Educational materials center.....	25,000
Philippines: Secondary education improvement.....	45,000
Thailand: Improvement of secondary education.....	38,000

NEAR EAST AND SOUTH ASIA	
India: Secondary school teacher extension project.....	1,206,900
Iran: Training Iranian national (this project considers expanded subproject for Teheran Institute of Technology).....	1,064,745

AFRICA	
None.	
EUROPE	
None.	
LATIN AMERICA	
Brazil: Improvement of secondary education curriculum.....	25,400
Costa Rica: School of education team visit project.....	5,000
El Salvador: Education English language program.....	18,850
Guatemala: Urban education, reorganization and development (SCIDE).....	29,700

Fiscal year 1957

FAR EAST	
China: Educational materials center.....	27,000
Philippines: Secondary education improvement.....	93,000
Thailand: Improvement of secondary education.....	122,000
Vietnam: Secondary education.....	132,000

NEAR EAST AND SOUTH ASIA	
India: Assistance to the extension training program for secondary-school teachers.....	323,000
Iran: Training for educational development.....	414,000

LATIN AMERICA	
Brazil: Secondary education.....	66,000

Fiscal year 1958

FAR EAST	
China (Taiwan): Educational materials center.....	32,000
Vietnam: Secondary education.....	339,000

NEAR EAST AND SOUTH ASIA	
Ceylon: Science education.....	199,000
Iran: Educational development.....	353,000

AFRICA	
No projects.	

EUROPE	
No projects.	

LATIN AMERICA	
Brazil: Brazilian-American assistance to secondary education.....	61,000

Fiscal year 1959

FAR EAST	
Korea: Secondary education.....	\$91,000
Vietnam: Expansion and improvement of secondary education.....	204,000

NEAR EAST AND SOUTH ASIA	
Ceylon: Science education.....	81,000
India: Assistance to the extension training program for secondary school teachers.....	35,000
Iran: Educational development.....	445,000

AFRICA	
Tunisia: Strengthening secondary science instruction.....	6,000

OVERSEA TERRITORIES	
United Kingdom: North Nyanza education development.....	234,000

EUROPE	
None.	

LATIN AMERICA	
Brazil: Secondary education.....	27,000
(66) Professional and Higher Education	

Fiscal year 1955

FAR EAST	
China:	
Improvement of Taiwan College of Engineering.....	278,000
Improvement of NTU College of Engineering.....	2,000
Expansion of educational facilities for oversea Chinese.....	22,000
Indonesian Republic:	
Development of university level instructional staffs.....	128,400
Advanced scientific and engineering training.....	170,000
Philippines:	
University of the Philippines.....	41,500
Philippine Military Academy.....	200,000
Electronics training.....	125,000
Thailand: Teacher training.....	724,000
Vietnam: National normal schools and university.....	35,000

NEAR EAST, AFRICA, AND SOUTH ASIA	
Afghanistan: Institute of education.....	350,000
India: Technical education.....	892,000
Liberia: ED-2 community education and teacher training, rural education.....	76,812
Pakistan: Intercollegiate exchange project.....	686,920
Turkey: University contract, agriculture.....	100,000

EUROPE	
France:	
Liaison between universities and business.....	6,400
Applied industrial research institutes: University-industry liaison.....	12,455
Italy: Business administration courses.....	93,000

LATIN AMERICA	
Bolivia: Normal school professors seminar.....	9,140
Costa Rica: University of Costa Rica reorganization project.....	100,000
Guatemala: Advanced training for dental professor.....	2,000
Mexico: Education, professional and higher education.....	4,750
Peru: Chemistry and instrumentation program.....	115,800

Fiscal year 1956

FAR EAST	
Cambodia: Teacher training.....	10,000
China (Taiwan):	
Improvement of Taiwan College of Engineering.....	391,700
Expansion of educational facilities for oversea Chinese.....	153,000
Indonesian Republic:	
Development of university-level staff.....	72,000
Advances scientific and engineering training.....	21,000
Library operation and teacher training.....	49,000

Korea:	
Seoul National University:	
Technical assistance.....	627,055
Operation facilities.....	1,450,000
Teacher training.....	345,000
Technical assistance in business administration.....	125,000
Assistance to Seoul National University, Public Administration Department.....	125,000
Technical assistance to Foreign Language Institute.....	15,000
Philippines: University of the Philippines.....	137,000
Thailand:	
Improvement of teacher training.....	854,400
Engineering education study.....	1,500
Improvement, Chulalongkorn University, Engineering Department.....	30,000

Vietnam:	
Seoul School, equipment for higher education.....	10,000
Equipment for Lycee Tran-Hung-Dao (ex-Bao Long).....	3,000
National normal school.....	27,905

Fiscal year 1956—Continued

NEAR EAST AND SOUTH ASIA	
Afghanistan:	
Institute of Education.....	\$666,000
Faculty of agriculture and engineering.....	88,000
Ceylon: University of Ceylon.....	600,000
India: Assistance to technical education institutions.....	443,381
Iran: Improving teacher education through the National Teachers College of the University of Teheran.....	108,500
Iraq: General education and educational administration.....	8,840
Turkey: University contract, agriculture.....	275,000

AFRICA	
Liberia: ED-2, community education, teacher training, and rural education.....	78,904

EUROPE	
Germany: Developing advanced management education at university level with assistance of American guest professors.....	20,000
Italy: Business administration courses.....	5,000

LATIN AMERICA	
Cuba: University Central (Santa Clara).....	48,075

Fiscal year 1957

FAR EAST	
China (Taiwan):	
Improvement of engineering education at Cheng Kung University (formerly Taiwan College of Engineering).....	275,000
Expansion of educational facilities for oversea Chinese.....	227,000
Indonesia: Development university-level staff.....	760,000
Korea:	
Seoul National University technical assistance.....	423,000
Seoul National University operating facilities.....	1,800,000
Teacher training.....	1,166,000
Technical assistance in business administration.....	200,000
Technical assistance in public administration.....	200,000
Philippines: University of the Philippines.....	201,000
Thailand: Improvement Chulalongkorn University, engineering.....	458,000
Vietnam: Teacher training and higher education.....	710,000

NEAR EAST AND SOUTH ASIA	
Afghanistan:	
Institute of Education (teacher education).....	240,000
Faculty of agriculture and engineering.....	162,000
Ceylon: Assistance to the University of Ceylon.....	435,000
India: Assistance to the Central Institute of Education.....	10,000
Iran: Improving teacher education through the National Teachers College of the University of Teheran.....	135,000
Iraq:	
General education and educational administration.....	32,000
Teacher education.....	11,000
Turkey: Nebraska University, professional and higher education.....	294,000
Liberia: Community education and teacher training, rural education.....	111,000

AFRICA	
Overseas territories—United Kingdom: Vanderbilt University, graduate training in economic development.....	5,000

LATIN AMERICA	
Brazil: Naval architecture.....	80,000
Cuba: University Central (Santa Clara).....	56,000

Fiscal year 1958

FAR EAST	
China (Taiwan):	
Improvement of engineering education at Cheng Kung University.....	135,000
Expansion of educational facilities for the oversea Chinese.....	430,000
Indonesian Republic: Development of university level staff.....	1,296,000
Korea:	
Seoul National University, operating facilities.....	500,000
Improvement teacher training.....	1,272,000
Improvement business administrative teaching.....	200,000
Technical assistance in public administration.....	200,000
Philippines: University of the Philippines.....	164,000
Thailand: Teacher training.....	771,000
Vietnam: Teacher training and higher education.....	120,000

NEAR EAST AND SOUTH ASIA	
Afghanistan:	
Institute of Education.....	597,000
Faculty of agriculture and engineering.....	390,000

Fiscal year 1958—Continued

India:	
Assistance to the Central Institute of Education.....	\$5,000
Assistance to the National Professional Education Center.....	300,000
Teacher training in engineering education.....	409,000
Iran: Improvement teacher education through the National Teachers College of the University of Tehran.....	1,000
Iraq: Teacher education.....	54,000
Nepal: Teacher training and related activities.....	196,000
Pakistan: Intercollege exchange, Texas A. & M. College, State College of Washington, Colorado State University.....	1,179,000
Turkey: Professional higher education, Nebraska University contract.....	210,000
AFRICA	
Liberia:	
Elementary-school teacher training.....	124,000
Rural teacher training institution.....	100,000
Libya: Assistance to Libyan University.....	814,000
Tunisia: Tunisian University study team.....	6,000

EUROPE

No projects.

LATIN AMERICA

Brazil:	
Aeronautical engineering.....	213,000
Naval engineering and architecture.....	20,000
Survey of needs and resources of the Technological Institute of Aeronautics at Sao Jose dos Campos.....	3,000
Cuba: University Central (Santa Clara).....	48,000
Peru: Chemistry and instrumentation program.....	82,000

ASIAN ECONOMIC DEVELOPMENT FUND

SEATO Graduate School of Engineering.....	423,000
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Fiscal year 1959

FAR EAST

Burma: Intermediate college at Rangoon University.....	250,000
China (Taiwan): Expansion of educational facilities for overseas Chinese.....	297,000
Indonesia: Development of university level staff.....	1,213,000
Korea:	
Improvement teacher training.....	675,000
Technical assistance, public administration.....	100,000
Higher education.....	911,000
Philippines: University of the Philippines.....	288,000
Thailand:	
Teacher training.....	276,000
Improvement Chulalongkorn University, engineering.....	130,000
Vietnam: Expansion and improvement of teacher training and higher education.....	607,000

NEAR EAST AND SOUTH ASIA

Afghanistan:	
Institute of Education.....	776,000
Faculty of agriculture and engineering.....	465,000
India:	
Assistance to National Professional Education Center.....	92,000
Teacher training in engineering education.....	872,000
Iran: Improving teacher education through the National Teachers College of the University of Tehran.....	352,000
Iraq: Teacher education.....	100,000
Pakistan:	
Intercollege exchange.....	183,000
Teacher training institutions.....	60,000
Turkey: Professional higher education, Nebraska University contract.....	567,000

AFRICA

Ethiopia: Higher education survey.....	150,000
Tunisia: Tunisian University study team.....	7,000

OVERSEA TERRITORIES

Somalia: Assistance to higher institute of law and economics.....	10,000
United Kingdom: Western region, teacher training.....	125,000

EUROPE

None.

LATIN AMERICA

Argentina: Planning of basic science facilities at University of Cuyo.....	1,000
Brazil:	
Aeronautical engineering.....	17,000
Survey of Brazilian higher education.....	46,000
Chile:	
University of Concepcion, development of science institutes.....	15,000
Catholic University, School of Sociology.....	10,000
Cuba: University Central (Santa Clara).....	50,000

ASIAN ECONOMIC DEVELOPMENT FUND

TOTAL

SEATO Graduate School of Engineering.....	400,000
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Fiscal year 1955

(67) Fundamental Adult and Community Education

FAR EAST

China: Community school demonstration.....	\$47,000
Thailand:	
Community schools: Supervisory and in-service education project.....	148,500
Popular education (literacy campaigns) Ministry of Education.....	35,000
Popular education and community pilot schools.....	9,000

NEAR EAST, AFRICA, AND SOUTH ASIA

Egypt:	
Rural school development.....	15,800
Fundamental education.....	18,500
Ethiopia:	
Women's social and education center.....	62,000
Cooperative education.....	98,750
Lebanon: Adult education—English teaching.....	30,000
Overseas Territories—United Kingdom: Expansion of adult literacy in Keuya.....	20,000

LATIN AMERICA

Guatemala: Urban youth activities project (contract with Association of Scouts of Guatemala).....	15,000
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Fiscal year 1956

FAR EAST

Cambodia: Fundamental education.....	20,000
China (Taiwan): Community school demonstration.....	89,000
Thailand: Improvement of supervisory and in-service education activities.....	137,000
Vietnam: Popular education and community pilot schools.....	34,180

NEAR EAST AND SOUTH ASIA

Egypt: Education fundamental education.....	11,753
Lebanon: Adult education, English teaching.....	39,630
Nepal: Project for educational activities.....	13,990

AFRICA

Ethiopia: Cooperative education.....	330,842
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EUROPE

None.

LATIN AMERICA

None.

Fiscal year 1957

FAR EAST

China (Taiwan): Community school demonstration.....	81,000
Vietnam: Adult literacy training.....	119,000

NEAR EAST AND SOUTH ASIA

India: Assistance to training in adult education.....	25,000
Lebanon: Adult education, English teaching.....	70,000
Nepal: Project for educational activities.....	77,000

AFRICA

Ethiopia:	
Ethiopia teacher education.....	62,000
Cooperative advisory services.....	350,000

Fiscal year 1958

FAR EAST

Philippines: Community education.....	168,000
Vietnam: Scholarships for leadership training.....	100,000

NEAR EAST AND SOUTH ASIA

Lebanon: Adult education, English teaching.....	77,000
Nepal: Project for educational activities.....	104,000

AFRICA

Ethiopia: Community education.....	27,000
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OVERSEA TERRITORIES

United Kingdom: Visual aids to adult literacy.....	30,000
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LATIN AMERICA

Guatemala: Adult education program in the Guatemala army.....	43,000
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Fiscal year 1959

FAR EAST

Laos: General education for rural development.....	50,000
Philippines: General education.....	297,000
Vietnam: Scholarships for leadership training.....	250,000

NEAR EAST AND SOUTH ASIA

India: Assistance to training in adult education.....	29,000
Lebanon: Adult education, English language.....	113,000
Nepal: Education development.....	396,000

AFRICA

Ethiopia: Women's education.....	55,000
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OVERSEA TERRITORIES

United Kingdom:	
Education and community development.....	49,000
Adult literacy, training in the United States.....	4,000
Training in audiovisual aids.....	8,000

EUROPE

None.

LATIN AMERICA

None.

(68) Educational Administration

Fiscal year 1955

FAR EAST

Indonesian Republic: Survey of technical education.....	\$15,000
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NEAR EAST, AFRICA, AND SOUTH ASIA

Egypt:	
Educational research.....	23,260
Administration of projects of Egyptian-American Joint Committee for Education.....	25,150
Education—Educational administration training.....	1,500

India: Educational Advisor Ministry of Education, GOI.....	57,747
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Liberia:	
ED-1 Improved administrative, supervisory, and instructional services.....	23,735
ED-4 Scholarships, vocational preparation, and on-the-job training.....	47,603
Libya: Educational administration.....	48,000

LATIN AMERICA

Bolivia:	
Education Administration.....	600
Do.....	3,063
Panama: Training in administration of vocational schools.....	4,000

Fiscal year 1956

FAR EAST

Cambodia: Improvement of Cambodian school supervising system.....	52,000
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NEAR EAST AND SOUTH ASIA

Afghanistan: Kabul University administration.....	18,000
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Egypt:	
Education—Educational research.....	35,960
Administration of projects of Egyptian-American Joint Committee for Education.....	53,485
Education—Educational administration training.....	1,000
India: Educational administration.....	57,875

AFRICA

Liberia:	
ED-1. Improved administrative supervisory, and instructional services.....	27,787
ED-4. Scholarships, vocational preparation, and on-the-job training.....	56,012
Libya: Educational administration.....	41,300

EUROPE

None.

LATIN AMERICA

Paraguay: Educational administration.....	5,300
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(68) Educational Administration

Fiscal year 1957

FAR EAST

Vietnam: Textbook development and special services.....	80,000
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NEAR EAST AND SOUTH ASIA

Afghanistan: Kabul University administration.....	106,000
Egypt: Educational research.....	5,000
India: Educational administration.....	10,000
Liberia: Education administration, supervision and instructional service.....	23,000

Fiscal year 1958

FAR EAST

Vietnam: Textbook development and special services.....	114,000
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NEAR EAST AND SOUTH ASIA

Afghanistan: Kabul University administration.....	55,000
Iran: Technical assistance to Tehran University.....	30,000

AFRICA

Ethiopia: Cooperative education advisory services.....	83,000
Liberia: Improved administration and supervision of education.....	14,000

EUROPE

No projects.

Fiscal year 1959

FAR EAST

Vietnam: Instructional materials development.....	130,000
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NEAR EAST AND SOUTH ASIA

Afghanistan: Kabul University administration.....	82,000
Pakistan: Senior educational leaders training.....	9,000

AFRICA

Ethiopia: Provincial education.....	63,000
Ghana: Training in organization and administration of education institutions.....	3,000
Liberia: Education administration, supervision, and instructional services.....	6,000

EUROPE

None.

LATIN AMERICA

None.

(69) All Other Education

Fiscal year 1955

FAR EAST

China:	
National Taiwan University business administration.....	\$6,000
Education advisor.....	15,000
Indonesian Republic: Education-technical support.....	46,133
Philippines: Overall TA education.....	27,000
Thailand:	
Curriculum development, Chaoengsao.....	51,000
Education, administration.....	60,000
Reactor training.....	6,000
Vietnam: English language laboratory.....	40,500

NEAR EAST, AFRICA, AND SOUTH ASIA

Afghanistan: Education.....	450,000
Egypt:	
Educational materials service.....	43,700
Vocational education.....	96,800
Iran:	
Educational activities (technical support).....	77,766
Providing building and facilities.....	169,009
Iraq:	
Education technical support.....	41,331
Education program direction and consultative services to ministry.....	11,250
Jordan:	
Field project assistance.....	56,131
Training of Jordanian nationals.....	188,198
Audio-visual center.....	27,996
Lebanon:	
Technical support.....	52,800
School health.....	26,533
Educational statistics and research.....	31,250
Library administration.....	500
Libya:	
Education technical support.....	31,100
Education-survey for basis establish junior-type college in Libya.....	5,000
Education-participants.....	21,300
Nepal: Teacher training and university development.....	49,000
Pakistan: General education advisory services.....	119,335

EUROPE

Austria: Commercial training of young businessmen.....	11,500
France: Foreman training.....	12,350
Yugoslavia: Georgetown University contract.....	1,000

LATIN AMERICA

Bolivia:	
Participants (education servicio).....	68,816
Administration project (education servicio).....	39,696
Construction project (education servicio).....	200
Transportation and customs project (education servicio).....	200
Brazil: Education, cooperative industrial education program.....	33,100
El Salvador: Education.....	107,782
Haiti: Technical aid in rural education.....	96,400
Honduras: Administration.....	45,565
Nicaragua: Administration, public education cooperative service.....	16,900
Panama: Servicio administration.....	36,200
Paraguay: Administration (education division).....	36,322
Peru:	
General administrative services.....	45,709
Normal school education.....	116,779
Rural elementary education.....	29,644
Interregional: Columbia University Teachers College citizenship education project.....	25,000

Fiscal year 1956

FAR EAST

China (Taiwan):	
Improvement of Business Administration Department, NTU.....	15,000
Education advisor.....	26,000
Productivity training in postprimary schools.....	5,000
Korea:	
Classroom construction.....	1,135,182
Education participants.....	4,000
Philippines: Overall technical assistance, education.....	37,000
Thailand: Education program, administration.....	27,000
Vietnam:	
Construction and reconstruction of elementary and secondary schools.....	20,000
English language laboratory and language classes.....	35,000
Youth activities, youth group work, physical and character education.....	66,600

NEAR EAST AND SOUTH ASIA

Afghanistan: Helmand Training Center.....	173,000
Egypt: Education, educational materials service.....	93,210

Fiscal year 1956—Continued

India:

Education program direction and development.....	\$167,030
School building improvement.....	4,975
Indian Ministry of Education officials' visit to U.S. educational institutions.....	10,000
Iraq: Education, program direction and consultative services.....	34,400
Israel:	
Education supervision.....	32,550
Education, participants.....	9,761
Jordan:	
Field project assistance, education.....	53,000
Training of Jordanian nationals.....	182,268
Lebanon:	
Education statistics and research, vocational survey.....	74,100
Library administration.....	1,800
Education training, AUB.....	13,000
Nepal:	
Nepal-American educational cooperative service.....	29,000
Overhead project for cooperative service in education.....	146,500
Pakistan: General education advisory services.....	122,600
Turkey: Georgetown English language program.....	101,500

AFRICA

Ethiopia:	
Ethiopian-American joint fund for education.....	50,000
Vocational trade school, Addis Ababa.....	
Libya:	
Libyan-American education joint service.....	425,600
Education joint service support.....	28,500

EUROPE

Yugoslavia: English language training program.....	21,428
Bolivia:	
Administration project (education servicio).....	32,509
Transportation and customs project (education servicio).....	200
Special technical training program.....	201,800
Brazil:	
General education.....	10,200
Comissao Brasileiro-Americana de Educaquo Industrial (CBAI).....	60,000
Administrative services, Brazilian-American Commission on Industrial Education (CBAI project A).....	94,023
Colombia:	
Reorganization of the curriculum of the Chemistry Department of the National University.....	35,000
Primary, secondary, and vocational education in the departments of Valle de Cauca, Cauca, and Caldas (rural and urban).....	45,000
Dominican Republic: Administration and auxiliary expenses.....	37,528
El Salvador: Education, administration.....	30,800
Guatemala:	
Cooperative education service (Servicio Cooperativo Interamericano de Educacion).....	41,095
Teachers workshop and training.....	36,500
Haiti:	
Cooperative service in rural education.....	100,000
Technical aid in rural education.....	125,845
Honduras: Administration, education cooperative service.....	40,375
Mexico: Education training grants (Ministry of Education).....	20,000
Nicaragua: Administration, public education cooperative service.....	19,940
Panama: Servicio administration (education).....	34,600
Paraguay: Administration (education division).....	57,203
Peru:	
General administrative services, education cooperative service.....	43,898
Normal school education (SECPANE) (teacher training).....	144,404
Rural elementary education (SECPANE).....	40,088

LATIN AMERICA

Jamaica: Vocational education.....	26,700
Cambodia:	
Rural development through education (general education).....	497,000
English language laboratory.....	43,000
China (Taiwan): Education advisor.....	27,000
Korea: Classroom construction.....	1,000,000
Philippines: Overall technical assistance, education.....	28,000
Thailand:	
Education program administration.....	38,000
Education, general training.....	2,000
Regional total.....	2,000

OVERSEA TERRITORIES

Fiscal year 1957

FAR EAST

Cambodia:	
Rural development through education.....	306,000
English Language Laboratory.....	5,000
China (Taiwan): Educational advisory services.....	84,000
Korea: Classroom construction.....	500,000
Philippines: Overall TA to education.....	31,000
NEAR EAST AND SOUTH ASIA	
India: School building improvement.....	17,000
Iraq: Youth activities.....	3,000
Israel: Education, teacher training and vocational education.....	18,000

Fiscal year 1957—Continued

NEAR EAST AND SOUTH ASIA

Afghanistan: Educational facilities.....	\$1,600,000
Egypt:	
Educational materials service.....	36,000
Vocational education.....	30,000
India:	
Education program direction and development.....	58,000
School building improvement.....	28,000
Assistance to rural institutes.....	25,000
Assistance to teacher training in audio-visual education.....	190,000
Assistance to Ministry of Education.....	50,000
Iran: Demonstration vocational education facilities.....	1,550,000
Iraq: Education consultative services to the ministry.....	22,000
Israel:	
Education (supervisory).....	34,000
Education (participants).....	1,000
Jordan: Training for Jordanian nationals.....	80,000
Pakistan: General education advisory services.....	4,000
Turkey:	
Georgetown English language program.....	67,000
General education services.....	100,000

AFRICA

Ethiopia: Cooperative education and teacher training program, and the Imperial Ethiopian Mapping and Geography Institute.....	579,000
Libya:	
Education joint service support and advisory service to GOL.....	85,000
Instructional materials development.....	27,000
Technical and vocational education.....	95,000
Do.....	189,000
Rehabilitation, remodeling and construction of school buildings.....	470,000
Instructional materials development.....	256,000
Assistance in overseas study for Libyan students.....	600,000

LATIN AMERICA

Bolivia: Administration.....	42,000
Brazil: Administrative services: Brazilian-American Commission on Industrial Education.....	58,000
Colombia:	
Reorganization of the curriculum, department of chemistry, National University.....	13,000
Primary, secondary and vocational education, Valle del Cauca, Cauca, Caldas.....	46,000
Dominican Republic: Administrativo and auxiliary expenses.....	63,000
El Salvador: Education advisory and training services.....	164,000
Guatemala:	
Administrative service.....	42,000
Rural education.....	72,000
Urban education.....	38,000
Haiti:	
Cooperative service in rural education.....	100,000
Technical aid in rural education.....	132,000
Honduras: Administration of education cooperative service.....	41,000
Mexico: Education training support.....	23,000
Nicaragua: Administration—public education cooperative service.....	24,000
Panama: Servicio Administration (education).....	36,000
Paraguay: Servicio Administration (Education Division).....	49,000
Peru:	
General administrative services.....	57,000
Teacher (normal) education.....	136,000
Rural elementary and normal school education.....	32,000
Atomic sciences training.....	12,000
Jamaica: Vocational education.....	29,000
Regional: Technical training office of technical services in Puerto Rico (app. II of contract between IOA and Commonwealth of Puerto Rico).....	550,000
Interregional: Citizenship education (contract with Teachers College, Columbia University).....	2,000

Fiscal year 1958

FAR EAST

Cambodia:	
Rural development through education.....	306,000
English Language Laboratory.....	5,000
China (Taiwan): Educational advisory services.....	84,000
Korea: Classroom construction.....	500,000
Philippines: Overall TA to education.....	31,000

NEAR EAST AND SOUTH ASIA

India: School building improvement.....	17,000
Iraq: Youth activities.....	3,000
Israel: Education, teacher training and vocational education.....	18,000

Fiscal year 1958—Continued

Jordan:	
Training Jordan nationals.....	\$68,000
Expanding educational facilities.....	140,000
Turkey:	
Georgetown English language program.....	130,000
General education services.....	355,000
United Arab Republic: Vocational education.....	1,000
AFRICA	
Ethiopia:	
Education cooperative service.....	145,000
Education general support.....	46,000
Teacher education.....	57,000
Libya:	
Education joint service support.....	330,000
Education joint service support and advisory service to GOL.....	118,000
Instructional materials development.....	73,000
Technical and vocational education including agriculture.....	189,000
English language program.....	95,000
Assistance in overseas study for Libyan students.....	250,000
Provision of teachers for Libyan schools.....	1,116,000
School construction.....	1,520,000

EUROPE

Yugoslavia: English language training program.....	25,000
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LATIN AMERICA

Bolivia: Administrative support education service.....	44,000
Brazil: Administrative services education division.....	87,000
Colombia:	
Education service, administration.....	9,000
Reorganization of the curriculum, department of chemistry, National University.....	16,000
Primary, secondary, and vocational education, Valle del Cauca.....	47,000
Dominican Republic: Technical support for administration of service program and all other projects.....	76,000
El Salvador: Education, advisory, and training services.....	101,000
Guatemala:	
Administration.....	43,000
Rural education.....	133,000
Urban education.....	112,000
Vocational education.....	133,000
Haiti:	
Cooperative service in rural education.....	120,000
Technical service in rural education.....	168,000
Honduras: Administration of education cooperative service.....	52,000
Mexico: Education training support.....	10,000
Nicaragua: Administration, public education cooperative service.....	38,000
Panama: Servicio administration (education).....	50,000
Paraguay:	
Administration (education division).....	50,000
Training of personnel in education.....	47,000
Peru:	
North American Peruvian cooperative service in education.....	115,000
General administrative services.....	49,000
Teacher (normal) education.....	106,000
Rural elementary and normal school education.....	57,000

OVERSEA TERRITORIES

Jamaica: Education, vocational agriculture program.....	26,000
Regional total: Technical training in Puerto Rico.....	300,000

ASIAN ECONOMIC DEVELOPMENT FUND

Establishment of regional facilities for improvement of English language training.....	1,500,000
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Fiscal year 1959

FAR EAST

Cambodia:	
Rural development through education.....	472,000
English language laboratory.....	24,000
China (Taiwan):	
Education administration and development.....	94,000
Science education.....	391,000
Indonesia: Public education development.....	49,000
Philippines: Overall TA, education.....	23,000

NEAR EAST AND SOUTH ASIA

India:	
School building improvement.....	18,000
Rural institute.....	231,000
Assistance to teacher training in audio-visual education.....	11,000
Iraq:	
Education consultative services to ministry.....	33,000
Youth activities.....	1,000
Israel: Teacher training and vocational education.....	13,000

Fiscal year 1959—Continued

Jordan:	
Teacher education.....	\$61,000
Arab Development Society.....	75,000
Expansion of training facilities of the Arab Development Society.....	75,000
Turkey:	
Georgetown English language program.....	193,000
General education services.....	567,000
Literacy training in the armed forces.....	715,000

AFRICA

Ethiopia:	
Education general support.....	44,000
Curriculum development.....	59,000
Teacher education.....	68,000
Libya:	
Education joint services support.....	46,000
Technical and vocational education.....	278,000
English language program.....	4,000
Provision of teachers.....	800,000
School construction.....	1,216,000
Instructional materials.....	43,000

OVERSEA TERRITORIES

Somali: Educational activities.....	17,000
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EUROPE

Yugoslavia: English language training.....	52,000
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LATIN AMERICA

Bolivia: Administrative support education service.....	43,000
Brazil: Administration services, education division.....	58,000
Colombia:	
Administration, education service.....	33,000
Training, education service.....	110,000
National University, reorganization of chemistry curriculum.....	2,000
Dominican Republic: Technical support of administration of education service programs.....	32,000
El Salvador: Education advisory and training services.....	93,000
Guatemala:	
Administration.....	59,000
Rural education.....	119,000
Urban education.....	123,000
Technical cooperation in vocational education.....	73,000
Haiti:	
Cooperative service in rural education.....	120,000
Technical service in rural education.....	194,000
Honduras: Administration of education cooperative service.....	54,000
Mexico: Education training support.....	26,000
Nicaragua: Administration, public education, cooperative service.....	37,000
Panama: Servicio administration (education).....	49,000
Paraguay:	
Administration (education division).....	45,000
Training.....	43,000
Peru:	
Peruvian North American cooperative education service.....	115,000
General administrative service.....	52,000
Normal school education.....	160,000
Rural elementary and normal education.....	32,000

OVERSEA TERRITORIES

Jamaica: Vocational education.....	5,000
The West Indies and East Caribbean: Education, teacher training.....	3,000
Regional total:	
Technical training in Puerto Rico.....	446,000
Bilingual rural school supervision program (Pennsylvania State University).....	131,000
Contract between ICA and Research Foundation of State University of New York.....	80,000

Mr. GRUENING. Mr. President, if, during the past 7½ years the Eisenhower-Nixon administration has shown such an astonishing lack of concern for aiding our overcrowded schools and our underpaid teachers, was its attitude with respect to the development of our own natural resources any different?

Did the Eisenhower-Nixon administration exhibit even as much concern for resource development at home as it did for resource development abroad?

Unfortunately for the economic growth of our Nation, Mr. President, the answer to both these questions must—on the record—be in the negative.

The slogan for the past 7½ years under the Eisenhower-Nixon adminis-

tration in the field of natural resource development might well be: "No New Starts at Home—Unlimited New Starts Abroad."

During this period the public interest at home with respect to the fullest development of our great natural resources has suffered time and time again at the hands of the Eisenhower-Nixon administration.

There was Dixon-Yates and there was Al Sarena; there was the underdevelopment at Hells Canyon, by which the people will secure half the power at twice the cost and no irrigation or flood control, and the proposed underdevelopment of Nez Perce; there were vetoes of public works bills in 1956 and 1959—the latter, fortunately, overridden—and, above all, there was a lack of leadership in the development of our natural resources and a positive slowing down of projects begun.

In the same period, Mr. President, was there the same slowdown in the U.S. dollars we sent abroad to develop the natural resources of foreign nations?

There was not.

In the same period of "No New Starts at Home," the Eisenhower-Nixon administration was spending on public works projects abroad hundreds of millions in some 60 countries.

Thus, during this time, we have, among other similar things, given Nationalist China the sum of \$49,363,000 for hydroelectric development projects; we have given India \$1,108,000 for similar projects; Pakistan \$19,758,000, and Korea, \$310,000 for the same purposes. We are planning to spend in the near future \$515 million for dams and other projects on the Indus River.

Mr. President, I ask unanimous consent that a complete list of natural resource development projects supported abroad through the first 6 months of fiscal year 1960 be printed at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Summary of ICA and predecessor agencies' obligations for irrigation, reclamation (including flood control), and power projects cumulative, Apr. 3, 1948-Dec. 31, 1959

[Millions of dollars]

Program	Table in which detail is shown	Obligations at Dec. 31, 1959	Fiscal year 1960 (6 mos.)
Total.....		518.9	1.8
Inactive programs:			
European industrial projects.....	II	97.8	
European overseas territory projects.....	III	4.1	
Continuing programs:			
Far East.....	IV	224.5	.5
Near East and South Asia.....	V	150.2	.5
Africa.....	VI	13.7	.5
Latin America.....	VII	11.1	.3
Europe.....	VIII	17.5	(1)

¹ Less than \$50,000.

NOTE.—Data exclude projects financed under the Development Loan Fund.

Source: International Cooperation Administration Office of Statistics and Reports May 6, 1960.

European industrial projects¹—ICA or predecessor agencies' obligations for irrigation, reclamation, and power projects by country and project, Apr. 3, 1948–Dec. 31, 1959

[Thousands of dollars]

Country and project	Cumulative total through Dec. 31, 1959	July 1, 1954, through Dec. 31, 1959	Prior to fiscal year 1955
Europe, total.....	97,838	-2,285	100,123
Denmark: Steam electric station (60,000 kilowatts) at Kynby.....	3,317		3,317
France.....	17,879	-150	18,029
Thermal electric powerplant at Dechy (120,000 kilowatts).....	11,921	-127	12,048
Boiler for steam electric station at Arrighi (100,000 kilowatts).....	2,444		2,444
Boiler equipment for steam electric unit at Nantes Chevre (100,000 kilowatts).....	1,801	-4	1,805
Extension of the Office du Niger irrigation project in French West Africa.....	1,191		1,191
Boiler equipment for 2d steam electric station at Arrighi (100,000 kilowatts).....	522	-19	541
Iceland.....	4,857	-4	4,861
Expansion of hydroelectric plant on Sog River.....	3,890	-1	3,891
Expansion of hydroelectric plant on Laxa River.....	967	-3	970
Italy.....	59,979	-2,131	62,110
Steam electric station (100,000 kilowatts) at Piacenza.....	10,357	-162	10,519
Turbogenerator (50,000 kilowatts) at Genoa for Societa Edison, Milan.....	6,111	-58	6,169
Turbogenerator with 60,000-kilowatt capacity to serve northern Italy.....	6,092	-138	6,230
Steam electric station (60,000 kilowatts) at Naples.....	6,014	-83	6,097
Turbogenerator (50,000 kilowatts) near Turin for Societa Idroelettrica Piemonte.....	5,937	-159	6,096
Steam electric station (60,000 kilowatts) at Palermo.....	5,730	-336	6,066
Steam electric station (60,000 kilowatts) at Civitavecchia, Rome.....	5,608	-502	6,110
Steam electric station (50,000 kilowatts) at Genoa.....	5,510	-159	5,669
Steam electric station (30,000 kilowatts) at Naples.....	3,280	-69	3,349
Addition to steam electric plant (30,000 kilowatts) at Turin.....	2,862	-363	3,225
Steam electric plant (120,000 kilowatts) near Tavazzano for STEI.....	2,478	-102	2,580
Netherlands: Thermal powerplant (120,000 kilowatts) on the Amer River.....	3,092		3,092
Portugal: Irrigation and power development in the Sorraia Valley and Plains of Villa Franca.....	897		897
Spain.....	7,300		7,300
Thermal powerplant at Bureca.....	3,650		3,650
Thermal powerplant at Escatron.....	3,650		3,650
International: Austro-German hydroelectric powerplant at Braunau on Inn River.....	517		517

European overseas territories—ICA or predecessor agencies' obligations for irrigation, reclamation, and power projects as of Dec. 31, 1959

[Thousands of dollars]

Area and project	Cumulative total as of Dec. 31, 1959	July 1, 1954, through Dec. 31, 1959	Total prior to fiscal year 1955
Total.....	\$4,084	-\$228	\$4,312
Belgian territories: Belgian Congo soil survey.....	38		38
French territories: French soil conservation program, Algeria.....	535		535
Netherlands territories: "Eysvoegel plan" land reclamation, Surinam.....	1,084	-212	1,296
United Kingdom territories.....	2,427	-16	2,443
Power station, Malta.....	2,203	-16	2,219
Mid-Clarendon irrigation project, Jamaica.....	175		175
Construction of reservoirs, British Somaliland.....	32		32
Antierosion and reclamation, Cyprus.....	17		17

GENERAL NOTE.—This program, in which ECA utilized European program funds to finance directly specific projects in the overseas territories of European countries, was active in fiscal years 1950 and 1951. This table shows the current status, as of Dec. 31, 1959, of the obligations originally entered into during that earlier period.

Source: International Cooperation Administration, Office of Statistics and Reports, May 6, 1960.

Far East program—ICA or predecessor agencies' obligations for irrigation, reclamation, and power projects by country and type of project, June 5, 1950–Dec. 31, 1959

[Thousands of dollars]

Country and project	Cumulative total through Dec. 31, 1959	Fiscal year 1960 (6 months)
Far East total.....	224,468	497
Burma.....	7,100	
Land restoration.....	5,400	
Reconstruction of Kabo Dam.....	1,700	
Cambodia.....	1,718	43
Irrigation and drainage development.....	1,396	43
Development of Kompong Som water power study.....	322	
China (Taiwan).....	99,762	26
Power transmission distribution.....	20,176	
Shen-Ao 2d unit thermal.....	18,805	
Primary system improvement and power control.....	8,532	
Shen-Ao 1st unit thermal.....	8,367	
Shihmen multipurpose dam.....	7,872	10
Ku Kwan hydropower.....	6,726	
Nan-Pu 1st unit thermal.....	5,873	
Nan-Pu 2d unit thermal.....	5,052	
Tien-Leng hydroelectric powerplant.....	4,082	
Lung-Chien hydro.....	3,214	
Wu Sheb hydrodam.....	2,265	8
Thermal power generation.....	1,575	
Li-Wu hydropower station.....	1,478	
Land and water resources, JCR.....	1,187	8
Tachien Reservoir exploration.....	1,000	
Sun-Moon (peaking) power station.....	674	
Tien-Leng (peaking) power station.....	590	
Taiwan Power Co. thermal.....	462	
URAI power station.....	457	
Pei-Pu thermal power station.....	394	
Water resources survey.....	292	
Irrigation and reclamation.....	182	
Hydroelectric power development, Ta Chien Reservoir.....	141	
Deep-well improvement.....	119	
Sun-Shan thermal power station.....	78	
Farm reclamation.....	73	
Power system, Tsoying.....	58	
Peng-Hu thermal power station.....	38	

Far East program—ICA or predecessor agencies' obligations for irrigation, reclamation, and power projects by country and type of project, June 5, 1950–Dec. 31, 1959—Con.

[Thousands of dollars]

Country and project	Cumulative total through Dec. 31, 1959	Fiscal year 1960 (6 months)
Indonesia.....	1,063	23
Land development and conservation.....	990	23
Soil conservation and land utilization.....	73	
Korea.....	80,935	183
Thermal power development (Seoul, Pusan, Samchok).....	28,416	
Thermal electric generating plant.....	9,292	
Rehabilitation and improvement, Hwachon Dam plant.....	8,928	
Irrigation and land reclamation.....	7,925	
Rehabilitation and construction of thermal transmission lines.....	6,752	
Rehabilitation of Chong Pyong Dam.....	6,000	
Rehabilitation of Yongwol and Tangin-Ri thermal.....	5,458	90
Forest and watershed management.....	2,994	76
Flood control.....	1,537	7
Rehabilitation and improvement, electric power distribution system.....	1,412	
Power rehabilitation engineering services.....	640	
Training for ROK electric power system.....	569	3
Forest erosion control and stream improvement.....	392	
Hydro exploratory survey.....	310	
Electric power communications.....	195	
Rehabilitation of Unam powerplant.....	115	
Laos.....	615	
Powerplant extension.....	587	
Powerplant survey.....	28	
Philippines.....	16,325	41
Irrigation, services.....	10,600	16
Flood control.....	2,171	
MERALCO power project.....	2,045	
Water resources planning and development.....	788	20
Soil conservation.....	399	5
Power market development.....	316	
Electric power survey.....	6	
Thailand.....	11,673	145
Maemoh thermal facility.....	3,469	
Irrigation and reclamation.....	2,818	
Bangkok interim power.....	1,980	
Power system survey and improvement.....	1,451	
Power service training.....	820	145
Ground water resources and development.....	689	
Tank irrigation and water construction.....	446	
Viet Nam.....	1,757	36
Electric power development.....	1,095	
Rehabilitation irrigation and drainage.....	512	36
Reforestation and erosion control.....	150	
Cambodia, Laos, and Viet Nam.....	1,260	
Irrigation and reclamation.....	803	
Thermal power generation.....	457	
Asian Economic Development Fund: Mekong River project (AEDF).....	2,260	

Source: International Cooperation Administration, Office of Statistics and Reports, May 6, 1960.

¹ This special program, in which certain procurement authorizations issued by ECA and MSA were identified with various European projects, was particularly active during the Marshall plan period from 1949 to 1952. The last projects added to this program were the 2 thermal power projects for Spain authorized in June 1954. This table shows the current status, as of Dec. 31, 1959, of the obligations originally entered into during that earlier period.

Source: International Cooperation Administration, Office of Statistics and Reports, May 6, 1960.

Near East and south Asia—ICA or predecessor agencies' obligations for irrigation, reclamation, and power projects by country and type of project, Apr. 3, 1948-Dec. 31, 1959
[Thousands of dollars]

Country and project	Cumulative total through Dec. 31, 1959	Fiscal year 1960 (6 months)
Near East and South Asia total	150,215	529
Afghanistan	10,692	48
Helmand electric power, Kandahar	3,351	
Helmand irrigation construction and survey	2,834	
Helmand resources development	2,065	
Helmand Valley development	686	
Helmand Authority development operations	554	29
Helmand land development	500	
Helmand Canal operations and maintenance	385	
Helmand surface and ground water irrigation	188	19
Helmand agriculture development	116	
Helmand Arghandab irrigation and survey	13	
Ceylon	4,281	85
Irrigation and land development	3,228	11
Hydropower survey and training	499	
Physical research survey and planning	284	
Water resources and planning	270	74
Greece ¹	12,666	
Thermal electric plant in Eubean Gulf Territory (80,000 kilowatts)	7,040	
Owner-engineer services to Greek Government on Greek electric power program	4,996	
Electric transmission, transformation, and distribution from Eubean Gulf Territory station	198	
Electric transmission, transformation, and distribution out of Ladhon plant	129	
Natural resources development project	91	
Electric transmission, transformation, and distribution out of Agra plant	83	
Electric power system training	59	
Hydroelectric plant (5,000 kilowatts) at Louros	42	
Irrigation farm practices demonstration courses	25	
Electric transmission, transformation, and distribution out of Louros plant	3	
India	44,002	109
Ground water irrigation	18,304	
River valley development	7,957	
Rihand Valley development	6,011	1
Ground water exploration	4,097	
Delhi thermal plant	4,000	
Improvement of Rajasthan power facilities	1,065	
Technical services and water resources power development	837	17
Electric distribution system maintenance training center	510	60
Water resources survey and minor irrigation works	480	
Flood control	209	
Soil and water conservation	172	31
Development of forest research and desert afforestation	168	
Technical and engineering services to Central Water and Power Commission	100	
Technical assistance to Irrigation Research Institute	92	

Near East and south Asia—ICA or predecessor agencies' obligations for irrigation, reclamation, and power projects by country and type of project, Apr. 3, 1948-Dec. 31, 1959—Continued

Country and project	Cumulative total through Dec. 31, 1959	Fiscal year 1960 (6 months)
Iran	2,602	46
Construction of Karaj Dam	627	
Municipal power system	487	
Reclamation and irrigation development	348	46
River basin survey	205	
Development land and water use plan	188	
Completion of Karkheh Dam	151	
Rehabilitation of deep wells in Yazd area	147	
Demonstration of Ghanat construction	140	
Completion of Golpayegan Dam	131	
Improvement of farm irrigation system and irrigation practices	84	
Completion of Sheikh Ali Khan Dam and Kuhrang irrigation tunnel	50	
Development of Zayende Rud Basin	42	
Improvement of Thera municipal power system	2	
Iraq	305	9
Irrigation administration and development	190	9
Range management	76	
Miri Sirf land development	39	
Israel	231	3
Water resources	228	
Development of water resources	3	3
Jordan	6,940	37
East Ghor main canal	2,500	
Land and water resources development	1,894	37
Yarmuk Jordan Valley	1,309	
Afforestation watershed protection	778	
General wadi development	338	
Range management	71	
Lebanon	2,574	
Power transmission	1,140	
Kasme construction	544	
Litani River Basin investigation	461	
Water reconnaissance survey	339	
Irrigation	90	
Nepal: Nepal Valley multipurpose project	2,106	
Pakistan	37,095	85
Karnafuli multipurpose	19,743	4
Taunsa barrage	5,902	
Punjab ground water survey	4,086	59
Multan Lyallpur power transmission	3,600	
Ganges Kabadak irrigation	1,925	
Makhi Dhand reclamation	820	
Soil and water conservation	577	22
Ground water exploration and tube wells	188	
Water resources advisory	124	
Soil and water conservation (Baluchistan Sailaba)	77	
Soil and water conservation (range and pasture)	53	
Turkey	24,209	107
Sariyar hydroelectric plant	14,609	
Bosphorus aerial transmission line	8,003	
Reclamation (river valley)	710	54
Soil and water resources	491	42
Power supply priority study	200	
Power planning	171	11
Irrigation seminar	25	

Near East and south Asia—ICA or predecessor agencies' obligations for irrigation, reclamation, and power projects by country and type of project, Apr. 3, 1948-Dec. 31, 1959—Continued

Country and project	Cumulative total through Dec. 31, 1959	Fiscal year 1960 (6 months)
United Arab Republic (Egypt)	2,512	
Land reclamation and development for Arbis area (EARIS)	1,153	
Land reclamation and development, Qasta area	669	
Underground water survey	245	
Agriculture drainage	212	
Land reclamation and development (EARIS Kom Os-hiem)	150	
Land and water utilization	57	
Drainage investigations and improvements	26	

¹ All projects listed, except the last 3 entries, were originally authorized under ECA and MSA as part of the "Industrial Projects" program. The data shown represent the current status, as of Dec. 31, 1959, of the obligations made by ICA's predecessor agencies.

Source: International Cooperation Administration, Office of Statistics and Reports, May 6, 1960.

Africa—ICA or predecessor agencies' obligations for irrigation, reclamation, and power projects by country and type of project, July 1, 1951-Dec. 31, 1959

Country and project	Cumulative total through Dec. 31, 1959	Fiscal year 1960 (6 months)
Africa total	\$13,703	\$510
Ethiopia	3,855	330
Water resources survey co-op service	1,973	
Blue Nile River Basin investigation	1,179	330
Well drilling (for irrigation)	400	
Electric power stations	156	
Water resources survey	147	
Ghana: Volta River survey project	105	
Liberia	708	
Forest conservation	473	
Electric survey	235	
Libya	7,866	105
Tripoli power project	3,500	
Soil conservation	2,158	36
Ground water development	876	28
Forestry	805	11
Irrigation development	302	16
Range management	225	14
Morocco: Irrigation project	14	8
Tunisia	406	30
Equipment for maintenance of primary drainage canals	240	
Surface water impounding	90	23
Assistance for irrigation of crops	76	7
Somalia	195	37
Water resources development	160	37
Forestry development	24	
Reclamation	11	
Overseas territories, United Kingdom: Land planning, soil and water conservation	554	

Source: International Cooperation Administration, Office of Statistics and Reports, May 6, 1960.

Footnotes at end of table.

Latin American program—ICA or predecessor agencies' obligations for irrigation, reclamation, and power projects by country and type of project, July 1, 1951-Dec. 31, 1959

[Thousands of dollars]

Country and project	Cumulative total through Dec. 31, 1959	Fiscal year 1960 (6 months)
Latin America total.....	11,126	263
Chile.....	796	103
Reforestation, soil and water conservation.....	467	43
Water utilization.....	190	
Water development and resources.....	139	60
Colombia: Power resource development.....	32	
Costa Rica.....	15	
Soil survey project.....	9	
Tempisque Valley (water resources development).....	6	
Dominican Republic: Hydroelectric and irrigation survey.....	9	
El Salvador: Land and water resources.....	197	36
Guatemala.....	4,334	
Rural development (clearing, land preparation).....	2,041	
Rural development (including land development).....	1,923	
Rural development (small irrigation works).....	354	
Rural development (land clear).....	16	
Haiti.....	4,335	
Development of Artibonite Valley.....	2,475	
National irrigation development program.....	1,261	
Watershed control.....	220	
Development of Quartier-Morin Plain.....	209	
Irrigation, Leogene.....	110	
Clearing lands, Grand 'Anse.....	60	
Honduras: Land and water resources.....	217	16
Nicaragua.....	105	15
Industry and mining water resources investigation.....	62	
Agricultural land and water resources and forestry.....	43	15
Panama: Water resources development.....	126	22
Peru.....	894	22
Cooperative rural development.....	800	
Irrigation engineering.....	67	13
Forestry development program.....	27	9
Overseas territories, British Guiana.....	66	49
Irrigation problems, practices training.....	57	49
Ground water principles training.....	9	

Source: International Cooperation Administration, Office of Statistics and Reports, May 6, 1960.

Europe—ICA or predecessor agency obligations for irrigation, reclamation, and power projects by country and type of project, July 1, 1954-Dec. 31, 1959

[Thousands of dollars]

Country and project	Cumulative total through Dec. 31, 1959	Fiscal year 1960 (6 months)
Europe, total.....	17,527	6
Iceland.....	5,021	
Sog development, Upper Sog hydroelectric plant and Keflavik Air Base tie.....	5,000	
Hydroelectric survey.....	21	

Europe—ICA or predecessor agency obligations for irrigation, reclamation, and power projects by country and type of project, July 1, 1954-Dec. 31, 1959—Continued

[Thousands of dollars]

Country and project	Cumulative total through Dec. 31, 1959	Fiscal year 1960 (6 months)
Spain.....	11,491	
Thermopower boilers.....	5,638	
Electric power, fiscal year 1956.....	3,587	
Electric power industry (transmission and distribution).....	1,941	
Forestry and range management demonstrations.....	174	
Irrigation and reclamation demonstrations.....	67	
Soil conservation and improvement.....	59	
Irrigation and underwater study.....	18	
Ground water development for public water supply.....	7	
Yugoslavia.....	1,015	6
Soil improvement and water resources.....	658	
Forestry.....	245	
Power.....	112	6

Source: International Cooperation Administration, Office of Statistics and Reports, May 6, 1960.

Mr. GRUENING. Mr. President, the same story of a double standard by the Eisenhower-Nixon administration during the past 7½ years can be related with respect to water pollution control in the United States.

On February 23, 1960, President Eisenhower vetoed an antipollution bill which would have authorized the appropriation of a modest sum of \$90 million a year for 10 years to assist communities in the construction of sewage disposal plants.

This, said President Eisenhower, in his veto message, is a local matter. He said:

Polluted water is a threat to the health and well-being of all our citizens. Yet, pollution and its correction are so closely involved with local industrial processes and with public water supply and sewage treatment, that the problem can be successfully met only if State and local governments and industry assume the major responsibility for cleaning up the nation's rivers and streams. The Federal government can help, but it should stimulate State and local action rather than provide excuses for inaction—which an expanded program under H.R. 3610 would do.

As a matter of fact, that bill provided for a much larger share of local and State participation than of Federal participation. Is it not common sense to say that pollution which starts in a river like the Mississippi, way up in Minnesota, or the Missouri in Montana is not carried downstream past other States and pollutes their coastal waters? To me, that is definitely a part of Federal responsibility. But President Eisenhower vetoed the bill.

Apparently for the Eisenhower-Nixon administration there is something grossly wrong in sending U.S. dollars into our own local communities to help prevent the pollution of our own rivers and streams, but there is something noble and uplifting in sending U.S. dollars abroad to do precisely the same type of a job on foreign rivers and streams.

In the five fiscal years since 1955, 48,539,797 U.S. dollars have been sent abroad to assist foreign programs of environmental sanitation.

I suppose to the Eisenhower-Nixon administration the pollution of the Missouri, the Mississippi, the Columbia, or the St. Lawrence, or even the Potomac River is a local matter, while the pollution of the rivers and streams of Korea or Pakistan or Ethiopia or Brazil or Cambodia is a matter of grave international concern. Frankly, Mr. President, I cannot see the situation in this light. We should be at least as much concerned about the pollution of our own rivers and streams as we are about the pollution of rivers and streams in foreign countries.

Congress was concerned, but the President vetoed the action of Congress in this matter, as in other such matters of vital concern to the American people.

But, apparently, under the double standard of the Eisenhower-Nixon administration, which has prevailed during the past 7½ years, these domestic needs are not to be satisfied.

U.S. dollars given to local communities for pollution control, the President indicates, are debilitating of local action and lead to local inaction. On the other hand, the same U.S. dollars sent abroad for the same purpose will not have such an effect.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a list which I have had prepared of the environmental sanitation projects all over the world, for which grants of U.S. dollars were made in the 5 fiscal years since 1955. I hold up these two thick volumes containing summaries of the various types of foreign aid projects, so that Senators may see how voluminous, so far as one is permitted to see it in this form, our foreign aid program is. A corresponding volume for similar, new domestic projects during the Eisenhower-Nixon seven and a half years would be a slender booklet by comparison.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

TABLE No. 3.—Health and sanitation projects
(52) Environmental sanitation
Fiscal year 1955

FAR EAST	
Cambodia: Sanitary wells in rural areas.....	\$26,000
China:	
Kachisung waterworks rehabilitation.....	694,000
Improvement village water supply.....	5,000
Improvement sanitary engineering practices.....	44,000
Philippines: Water supply (wells and springs).....	842,000
Thailand:	
Environmental sanitation.....	189,000
Do.....	4,000
Vietnam: Rural water supply.....	125,000
NEAR EAST, AFRICA, AND SOUTH ASIA	
Egypt:	
Installation of portable water supply system.....	7,488,000
Sanitary engineering department.....	69,730
India: National water supply and sanitation program.....	1,926,600
Iraq: Environmental sanitation.....	18,547
Israel:	
For sewerage and sewage treatment.....	9,000
Public health sanitation participation.....	5,000
Sanitary engineering participation.....	3,000

Fiscal year 1955—Continued

Jordan: Environmental sanitation.....	\$86,690
Lebanon:	
Extension of health and medical services to villages.....	84,766
Village water supply.....	88,700
Pakistan: Greater Karachi water and sewage disposal project.....	3,795,000

LATIN AMERICA

Colombia: Public health engineering.....	45,300
Costa Rica: Engineering studies project (L).....	5,120
Ecuador:	
Environmental sanitation.....	22,181
Technical assistance in environmental sanitation.....	18,538
Honduras: Environmental sanitation.....	5,300
Mexico: Division of health and welfare.....	4,838
Nicaragua: Environmental sanitation.....	44,760
Panama:	
Training in environmental sanitation, sewage disposal and garbage collection.....	5,000
General engineering services for the servicio (environmental sanitation).....	18,600
Peru:	
Sanitary engineering instruction.....	50,277
Sanitary engineering.....	23,359

Fiscal year 1956

FAR EAST

Cambodia:	
Sanitary wells in rural areas.....	55,000
City water supplies.....	416,000
China:	
Improvement of sanitary engineering practices.....	55,300
Establishment of environmental sanitation bureau.....	10,000
Korea:	
Waterworks rehabilitation.....	850,000
Construction of wells and sanitary facilities.....	800,000
Seoul water distribution system rehabilitation.....	300,000
Seoul waterworks enlargement Goo-T-Ri plant.....	500,000
Philippines: Water supply (wells and springs).....	2,107,000
Thailand: Environmental sanitation.....	66,000
Vietnam:	
Rural water supply.....	143,000
Disposal of waste.....	23,000

NEAR EAST AND SOUTH ASIA

Egypt: Sanitary engineering services (D).....	46,525
India: National water supply and sanitation program.....	897,358
Iraq: Village sanitation project.....	15,690
Jordan: Environmental sanitation.....	159,000
Lebanon: Village water supply.....	83,050
Pakistan:	
Greater Karachi water supply and sewage disposal project.....	10,000
Municipal water supply.....	112,270
Village water supply.....	1,743,900
Chittagong water supply and sewerage.....	420,000
Dacca water supply and sewerage.....	420,000

AFRICA

Ethiopia: Well drilling, Ethiopia.....	52,534
Libya:	
Development domestic water.....	441,600
Sanitation activities.....	83,900

EUROPE

None.

LATIN AMERICA

Brazil: Sanitary (environmental) engineering.....	192,200
Colombia: Public health engineering.....	60,900
Costa Rica:	
Engineering studies project.....	6,000
Water supply project (M).....	1,000
Environmental sanitation personnel training project.....	10,000
Ecuador: Environmental sanitation.....	37,500
Honduras: Environmental sanitation (M) (health cooperative service).....	15,900
Mexico:	
Health and sanitation:	
Sanitary engineering consultation to Ministry of Hydraulic Resources.....	8,000
Environmental sanitation.....	41,000
Nicaragua: Environmental sanitation.....	32,926
Panama: General engineering services for the servicio (environmental sanitation).....	27,300
Peru: Sanitary engineering.....	15,786
Venezuela: Rural water supplies engineering and construction.....	24,900

OVERSEA TERRITORIES

British Honduras: Training in engineering for municipal services.....	3,500
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Fiscal year 1957

FAR EAST

Cambodia: Improvement of city water supplies.....	300,000
China (Taiwan):	
Kaohsiung waterworks rehabilitation.....	5,000
Improvement of sanitary engineering practices.....	51,000
Environmental Sanitation Bureau (Institute).....	5,000

Fiscal year 1957—Continued

Korea:	
Waterworks rehabilitation.....	\$2,026,000
Construction of wells and sanitary facilities.....	514,000
Street and city drainage.....	762,000
Philippines: Water supply (wells and springs).....	981,000
Vietnam: Rural water supply.....	30,000

NEAR EAST AND SOUTH ASIA

Ceylon: Environmental sanitation.....	18,000
India: National water supply and sanitation program.....	109,000
Iraq: Village health services.....	12,000
Jordan: Environmental sanitation.....	28,000
Lebanon: Village water supply.....	193,000
Pakistan: Greater Karachi water supply and sewage disposal.....	5,000

AFRICA

Ethiopia:	
Community water supply.....	500,000
Community water supply, well drilling, Ethiopia.....	238,000
Lybia:	
Sanitation activities.....	76,000
Development of domestic water.....	27,000
Development of domestic water supplies.....	760,000
Sanitation activities.....	42,000

LATIN AMERICA

Bolivia: Environmental sanitation.....	85,000
Brazil: Sanitary (environmental) engineering.....	151,000
Colombia: Public health engineering.....	90,000
Ecuador: Environmental sanitation.....	48,000
Guatemala:	
Environmental sanitation.....	12,000
Do.....	500,000
Honduras:	
Environmental sanitation.....	5,000
Health and sanitation project for specific problems in the Republic of Honduras.....	1,250,000
Mexico: Health and sanitation, environmental sanitation.....	26,000
Nicaragua: Environmental sanitation.....	4,000
Panama:	
Extension of water and sewers.....	2,000,000
General engineering service for the services (environmental sanitation).....	24,000

Fiscal year 1958

FAR EAST

Burma:	
Rangoon water supply.....	1,400,000
Rangoon sewerage system.....	645,000
Village water supply and sanitation.....	577,000
Town water supply.....	224,000
Rangoon General Hospital.....	752,000
Cambodia: Improvement of water supplies.....	224,000
China (Taiwan):	
Sanitation and water supply.....	38,000
Municipal water supply, Taichung.....	130,000
Korea:	
Waterworks rehabilitation.....	1,139,000
Construction of sanitary facilities.....	528,000
Philippines: Water supply (wells and springs).....	964,000

NEAR EAST AND SOUTH ASIA

Ceylon: Environmental sanitation.....	28,000
India: National water supply and sanitation program.....	82,000
Iraq: Rural health services.....	23,000
Jordan: Environmental sanitation.....	107,000

AFRICA

Ethiopia: Community water supply.....	135,000
Libya:	
Development of domestic water supplies.....	321,000
Municipal slaughterhouse development.....	28,000

EUROPE

No projects.

LATIN AMERICA

Bolivia: Environmental sanitation.....	52,000
Brazil: Sanitary (environmental) engineering.....	118,000
Colombia: Public health engineering.....	54,000
Costa Rica:	
Engineering studies project.....	15,000
Water supply project.....	1,000
Municipal sewerage systems.....	2,000
Ecuador: Environmental sanitation.....	60,000
Guatemala: Environmental sanitation (public health cooperative service).....	500,000
Haiti: Water distribution, construction, and water sewerage surveys for Port-au-Prince.....	330,000
Panama:	
General engineering services for the servicio (environmental sanitation).....	39,000
Extension of water and sewerage system of the city of Panama.....	1,000
Venezuela: Rural water supply, engineering and construction.....	21,000

Fiscal year 1959

FAR EAST

Cambodia: Improvement of water supplies.....	315,000
China (Taiwan): Improvement of sanitation and water supply.....	38,000
Korea:	
City drainage improvement.....	447,000
Environmental sanitation.....	368,000
Philippines: Water supply (wells, springs, and waterworks).....	427,000

Fiscal year 1959—Continued

NEAR EAST AND SOUTH ASIA

Ceylon: Environmental sanitation.....	\$20,000
India: National water supply and sanitation program.....	113,000
Iran: Environmental sanitation.....	126,000
Jordan: Environmental sanitation.....	71,000
Pakistan: Greater Karachi water supply and sewage disposal.....	24,000

AFRICA

Libya:	
Domestic water.....	584,000
Slaughterhouse.....	107,000

EUROPE

No projects.

LATIN AMERICA

Bolivia: Environmental sanitation.....	30,000
Brazil: Sanitary engineering.....	106,000
Colombia: Public health engineering.....	35,000
Costa Rica: Environmental sanitation.....	19,000
Ecuador: Environmental sanitation.....	47,000
Guatemala: Public health services (environmental sanitation and health education).....	89,000
Nicaragua: Environmental sanitation.....	15,000
Panama: General engineering services.....	39,000
Venezuela: Rural water supplies, engineering, and construction.....	19,000

Mr. GRUENING. Mr. President, on our own west coast, the salmon fishing industry is gravely depressed. It needs rehabilitation. The proper agency to undertake such a course of rehabilitation is the Federal Government because through years of Federal mismanagement this once great resource has been sorely depleted. The Alaska pack reached the lowest point in 60 years in 1959, the last year of Federal control.

Has the Eisenhower-Nixon administration in the past 7½ years come forward with a program—with a dynamic, far-sighted program—for the rehabilitation of the salmon fishing industry of the Pacific Northwest, or of any of our fishery resources? It has not.

Still, under its double standard, the Eisenhower-Nixon administration has developed programs for the rehabilitation of fishing industries in many countries abroad.

I ask unanimous consent to have printed at this point in my remarks a list of fishing projects abroad for the 5 fiscal years since 1955 for which the Eisenhower-Nixon administration has made grants of U.S. dollars.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

TABLE 4.—Agriculture and natural resources

(18) Fisheries

Fiscal year 1955

FAR EAST

China: Ocean fisheries improvement.....	\$204,000
Indonesia:	
Expansion and modernization of marine fisheries.....	224,700
Expansion of inland fisheries.....	51,000
Philippines: Fisheries development.....	82,000
Thailand: Fisheries.....	59,000
Vietnam:	
Development of inland fisheries.....	3,000
Development of marine fisheries.....	95,000

NEAR EAST, AFRICA, AND SOUTH ASIA

Ethiopia: Fisheries survey.....	10,200
India: Project for modernization and expansion of marine and inland fisheries and exploratory fishing program.....	278,100
Liberia: Marine and fresh water fisheries.....	22,000
Pakistan: Karachi fish harbor.....	364,000
Turkey: Purse seine fishing specialists.....	6,500
Peru: SCIPA project fisheries.....	32,061

Total..... 1,431,561

Fiscal year 1956

FAR EAST

China (Taiwan):	
Fishing fleet rehabilitation.....	5,000
Fish propagation (RETSEK).....	8,000
Indonesian Republic: Expansion and modernization of marine and inland fisheries.....	150,498

Fiscal year 1956—Continued

Korea: Fishing boat construction.....	\$1,000,000
Laos: Inland fish culture.....	13,450
Thailand: Fisheries.....	71,000
Vietnam:	
Development of inland fisheries.....	13,500
Development of marine fisheries.....	46,000
NEAR EAST AND SOUTH ASIA	
India: Expansion and modernization of marine and inland fisheries.....	437,520
Pakistan:	
Fisheries development: West Pakistan.....	371,375
Fisheries development: East Pakistan.....	129,295
Turkey: Purse seine fishing specialists.....	10,000
AFRICA	
Ethiopia: Fisheries survey.....	7,000
Liberia: Marine and fresh water fisheries.....	25,280
EUROPE	
Iceland: Canning industry team for the fish industry, 3d country training.....	4,600
Yugoslavia: Fisheries.....	14,020
LATIN AMERICA	
El Salvador: Fisheries.....	15,055
Peru: Fisheries development program (SCIPA project fisheries).....	33,910
Total.....	

Fiscal year 1957

FAR EAST	
China:	
Fishing fleet rehabilitation program.....	17,000
Fisheries.....	13,000
Tuna long liners.....	530,000
Indonesia: Expansion and modernization of marine and inland fisheries.....	149,000
Korea: Fisheries development.....	2,314,000
Thailand: Fisheries.....	17,000
Vietnam:	
Development of inland fisheries.....	7,000
Development of marine fisheries.....	160,000
NEAR EAST AND SOUTH ASIA	
India: Expansion and modernization of marine and inland fisheries.....	93,000
Pakistan:	
West Pakistan fisheries development.....	45,000
Fisheries development, East Pakistan.....	46,000
Turkey: Purse seine fishing specialists.....	2,000
AFRICA	
Ethiopia: Fisheries development project.....	26,000
Liberia: Fresh water fisheries.....	18,000
Tunisia: Aid to commercial fisheries.....	48,000
Overseas territories: Somalia: Fisheries development.....	2,000
EUROPE	
Iceland:	
Canning industry team for the fish industry 3d country.....	5,000
Fish byproduct utilization.....	2,000
Herring processing study 3d country.....	1,000
LATIN AMERICA	
El Salvador: Fisheries.....	8,000
Peru: Renewable resources development.....	50,000
Total.....	3,415,000

Fiscal year 1958

FAR EAST	
Cambodia: Fisheries conservation.....	35,000
China (Taiwan): Fisheries development.....	11,000
Indonesian Republic: Expansion and modernization of marine and inland fisheries.....	68,000
Korea: Fisheries development.....	160,000
Vietnam: General fisheries development.....	192,000
NEAR EAST AND SOUTH ASIA	
India: Expansion and modernization of marine and inland fisheries.....	134,000
Pakistan:	
Fisheries development, West Pakistan.....	116,000
Fisheries development, East Pakistan.....	56,000
AFRICA	
Liberia: Fresh water fisheries.....	19,000
Tunisia: Aid to commercial fisheries.....	16,000
AFRICA	
Overseas territories:	
Somalia: Fisheries.....	121,000
EUROPE	
Yugoslavia: Fisheries.....	8,000
LATIN AMERICA	
Peru: Renewable resources development (forestry and fisheries).....	30,000
ASIAN ECONOMIC DEVELOPMENT FUND	
Marine research in South China Sea and the Gulf of Thailand.....	560,000
Total.....	1,526,000

Fiscal year 1959

FAR EAST	
Cambodia: Fisheries conservation.....	\$41,000
China (Taiwan): Fisheries development (JCRR).....	18,000
Indonesia: Expansion and modernization of marine and inland fisheries.....	84,000
Korea: Fisheries development.....	475,000
Vietnam: Fisheries development.....	898,000
NEAR EAST AND SOUTH ASIA	
India: Expansion and modernization of marine and inland fisheries.....	100,000
Pakistan:	
Fisheries development, West Pakistan.....	91,000
Fisheries development, East Pakistan.....	32,000
AFRICA	
Liberia: Fresh-water fisheries.....	15,000
Tunisia: Aid to commercial fisheries.....	20,000
Overseas Territories: Somalia: Fisheries.....	18,000
EUROPE	
Iceland: Fish control survey.....	2,000
LATIN AMERICA	
Overseas territories: British Guiana: Snapper fishing equipment demonstration project.....	6,000
ASIAN ECONOMIC DEVELOPMENT FUND	
Marine research development in South China Sea and Gulf of Thailand.....	400,000
Total.....	2,201,000

Mr. GRUENING. Mr. President, the Eisenhower-Nixon double standard record on housing is equally significant.

Congress had to pass three housing bills before it found a low enough formula for such a bill to warrant a Presidential signature.

To the unwary this might signify that the Eisenhower-Nixon administration was quite reluctant to see Federal dollars being used to assist housing programs.

But not so.

This reluctance applies only to programs in our own country. The picture abroad is different.

Under the ICA program, grants—out-right grants with no payment expected—have been made in the 5 years since 1955 to many countries in a sum totaling \$12,289,899. Yet this is the same Eisenhower-Nixon administration that balked at loans for housing for the elderly and loans for college housing.

I ask unanimous consent to have printed at this point in my remarks a list of housing projects abroad for which grants of U.S. dollars were made in the 5 years since 1955 pursuant to the double standard of the Eisenhower-Nixon administration.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

TABLE 5.—Housing

(83) Housing	
Fiscal year 1955	
FAR EAST	
China: Housing program (public).....	\$14,000
Indonesian Republic:	
Workers' housing and community planning.....	102,587
Building construction testing and research center, Bandung.....	20,400
Low-cost housing and community facilities improvement.....	74,800
NEAR EAST, AFRICA, AND SOUTH ASIA	
Egypt: Building research and training center.....	5,500
Iran: Urban and rural low-cost housing.....	51,401
Israel:	
Public Housing Administration participant housing.....	3,000
Housing construction participantship.....	3,000
Liberia: Division of Public Building and Housing.....	37,167

Fiscal year 1955—Continued

Pakistan:	
Social welfare and housing, housing research, Experiment and Demonstration Station.....	\$71,000
Welfare—Community development, housing.....	47,700
Turkey:	
Low-cost housing consultants.....	750
Middle East Technical University.....	98,000
EUROPE	
Austria: Housing and urban redevelopment study.....	8,000
Germany: Housing programing and administration.....	3,200
Italy: Housing productivity.....	16,460
REGIONAL	
Modular coordination in building.....	3,000
Preplanning in the building industry.....	43,200
LATIN AMERICA	
Brazil: Housing.....	34,492
Chile: Housing.....	32,000
Costa Rica: Housing project.....	8,735
Haiti: Technical aid in housing.....	17,600

Fiscal year 1956

FAR EAST	
China (Taiwan): Public housing program.....	27,000
Indonesian Republic:	
Workers' housing and community planning.....	48,000
Building materials development, low-cost housing training and demonstration.....	295,000
Technicians' housing.....	164,000
Thailand: Low cost housing development.....	18,000
NEAR EAST AND SOUTH ASIA	
Egypt: Housing building materials standards and training center.....	137,810
Greece: Labor housing expert.....	10,600
Iran: Urban and rural low-cost housing.....	44,885
Pakistan: Welfare—Community development, housing advisory services.....	35,430
Turkey: Low-cost housing consultant.....	12,000
Regional total: Regional housing office.....	23,300
AFRICA	
Liberia: Division of Public Buildings and Housing.....	32,100
EUROPE	
Iceland: Survey of Icelandic building industry.....	7,000
Spain: Housing studies.....	26,880
YUGOSLAVIA	
Housing.....	11,000
Regional—USRO total:	
Preplanning in the building industry.....	7,500
Building in the United States.....	20,000
LATIN AMERICA	
Brazil: Housing.....	39,884
Chile: Cooperative housing.....	68,220
Costa Rica: Housing project.....	53,190
Guatemala:	
Housing program:	
Technical assistance.....	20,000
Development assistance.....	1,464,000
Uruguay: Housing—City and regional planning.....	3,500
Interregional total: Publications and training materials, housing.....	10,000

Fiscal year 1957

FAR EAST	
China (Taiwan): Public housing program.....	—14,000
Indonesian Republic:	
Aided self-help housing and low-cost housing training.....	86,000
Technicians housing.....	8,000
Korea: Housing construction materials.....	2,042
NEAR EAST AND SOUTH ASIA	
Egypt: Building research and training center.....	15,000
Greece: Labor housing expert.....	11,000
Iran: Development of low-cost housing.....	20,000
Lebanon: National housing program.....	200,000
Pakistan: Housing research—Experiment and demonstration station.....	2,000
Regional: Regional housing office.....	23,000
AFRICA	
Liberia: Public building and housing.....	18,000
EUROPE	
Spain: Housing studies.....	20,000
Yugoslavia: Housing.....	26,000
LATIN AMERICA	
Brazil: Housing.....	7,000
Chile: Housing.....	57,000
Colombia: A cooperative program in rural and urban housing in Colombia between the International Cooperation Administration and the Colombian Institute of Territorial Credit.....	23,000

Fiscal year 1957—Continued

Costa Rica: Housing and planning project.....	\$61,000
Guatemala: Housing program.....	41,000
Nicaragua: City planning and housing.....	19,000
Peru: Advisory service to Peruvian National Housing Commission.....	21,000
Uruguay: Housing (city and regional planning).....	2,000
INTERREGIONAL	
Publications, films, and training materials—Housing.....	26,000
Housing study on tropical minimal houses.....	22,000
Publications, films, and training materials—housing (finance).....	14,000

Fiscal year 1958

FAR EAST	
No projects.	
NEAR EAST AND SOUTH ASIA	
No projects.	
AFRICA	
No projects.	
EUROPE	
No projects.	
LATIN AMERICA	
No projects.	

Fiscal year 1959

FAR EAST	
Korea: Housing construction materials.....	1,251,000
NEAR EAST AND SOUTH ASIA	
Lebanon: National housing.....	47,000
AFRICA	
Tunisia: Workers housing program.....	18,000
EUROPE	
German/Berlin: Study of housing and construction program in West Berlin.....	2,000
Spain: Housing studies—town and country planning.....	8,000
Yugoslavia: Housing construction.....	150,000
LATIN AMERICA	
Costa Rica: Housing and city planning.....	40,000
Guatemala: Housing program.....	71,000
Uruguay: Housing.....	11,000

OVERSEA TERRITORIES

The West Indies and East Caribbean: Housing.....	25,000
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INTERREGIONAL TOTAL

Publications, films, and training materials—housing.....	1,000
Housing—Research on earth for homes.....	29,000

(84) Aided Self-Help Housing

Fiscal year 1955

OVERSEA TERRITORIES	
Trinidad: Aided self-help development.....	65,400

Fiscal year 1956

FAR EAST	
Cambodia: Housing improvement.....	20,000

OVERSEA TERRITORIES—MISCELLANEOUS—LATIN AMERICA

Aided self-help development.....	73,266
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Fiscal year 1957

FAR EAST	
Cambodia: Development of town planning and housing.....	59,000

NEAR EAST AND SOUTH ASIA

Turkey: Aided self-help housing adviser.....	5,000
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AFRICA

Ethiopia: Low-cost urban housing.....	200,000
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LATIN AMERICA

Ecuador: Aided self-help housing.....	1,000
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OVERSEA TERRITORIES

Miscellaneous DOTs: Aided self-help housing.....	2,000
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REGIONAL

Aided self-help housing development.....	34,000
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Fiscal year 1958

FAR EAST	
China (Taiwan): Public housing program.....	11,000

Korea: Housing construction materials.....	1,996,000
Housing, Chungju fertilizer plant.....	450,000

NEAR EAST AND SOUTH ASIA

Greece: Labor housing adviser.....	16,000
Lebanon: National housing program.....	683,000
Regional total: Regional housing office.....	3,000

AFRICA

Liberia: Public buildings and housing.....	5,000
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EUROPE

Spain: Housing studies.....	33,000
Yugoslavia: Housing construction.....	84,000

Fiscal year 1958—Continued

LATIN AMERICA	
Chile: Housing.....	\$175,000
Costa Rica: Housing and city planning.....	59,000
Guatemala: Housing program.....	54,000
Aided self-help housing program.....	1,400,000
Nicaragua: Community development-city planning.....	37,000
Uruguay: Community development (city and regional planning).....	3,000
INTERREGIONAL TOTAL	
Publications, films, and training material (housing).....	3,000

Fiscal year 1959

FAR EAST	
No projects.	
NEAR EAST AND SOUTH ASIA	
Turkey: Aided self-help housing adviser.....	11,000
AFRICA	
No projects.	
EUROPE	
No projects.	
LATIN AMERICA	
Nicaragua: Housing, aided self-help.....	364,000
Peru: Consultation to national housing commission.....	3,000
Regional total: Self-aided housing, Caribbean Commission.....	20,000

(85) Supporting projects, housing

Fiscal year 1955

NEAR EAST, AFRICA, AND SOUTH ASIA	
Israel: Assistance in housing.....	3,500

EUROPE

Italy: Productivity center support, housing specialists.....	23,000
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Fiscal year 1956

NEAR EAST AND SOUTH ASIA	
Israel: Assistance in housing.....	28,400

Fiscal year 1957

FAR EAST	
Korea: Housing research and development.....	51,000

NEAR EAST AND SOUTH ASIA

Israel: Assistance in housing.....	7,000
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Fiscal year 1958

FAR EAST	
Korea: Housing research and development.....	109,000

NEAR EAST AND SOUTH ASIA

No projects.	
AFRICA	
No projects.	

TABLE 6.—Mutual security projects, by countries and fiscal years, 1955 to 1959, inclusive

RECAPITULATION, TRANSPORTATION

Code (31): Highways

Country	Fiscal year 1955	Fiscal year 1956	Fiscal year 1957	Fiscal year 1958	Fiscal year 1959	Cumulative through fiscal year 1959
Far East.....	\$9,156,430	\$29,592,119	\$41,886,000	\$36,622,000	\$25,616,000	\$142,872,549
Near East and Asia.....	16,526,628	5,544,339	9,411,000	4,108,000	3,376,000	38,965,967
Africa.....	262,200	1,267,000	1,765,000	899,000	4,193,200	4,193,200
Europe.....	17,400	15,000	12,000	56,000	73,000	173,400
Latin America.....	4,225,345	11,523,312	8,816,000	1,019,000	754,000	26,337,657
Asian Economic Development Fund, India-Nepal Roadway.....				5,000,000		5,000,000
Total.....	29,925,803	46,936,970	61,392,000	48,570,000	30,718,000	217,542,773

TRANSPORTATION

(31) Highways

Fiscal year 1955

FAR EAST	
China: Traffic safety engineering.....	\$5,000

Laos: Improvement of and extension of Laos highway system.....	1,370,930
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Philippines: Highway improvement (Barrio roads).....	3,789,000
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Thailand: Highway development.....	55,000
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Construction equipment training.....	75,000
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Special northeast highway project, Saraburi-Korat-Ban Thai Highway.....	3,130,000
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Expanded aid program highways.....	355,000
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Vietnam: General program for roads and bridges.....	376,500
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NEAR EAST, AFRICA, AND SOUTH ASIA

Egypt: Highway improvement.....	6,514,000
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Transportation and communications, highways.....	10,500
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Transportation, asphalt and bitumen training.....	3,000
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Fiscal year 1958—Continued

EUROPE	
No projects.	
LATIN AMERICA	
No projects.	
FAR EAST	
Korea: Housing research and developing.....	\$32,000
NEAR EAST AND SOUTH ASIA	
No projects.	
EUROPE	
No projects.	
AFRICA	
No projects.	
LATIN AMERICA	
No projects.	

(86) Emergency Housing

No projects authorized for any of the countries under this code.	
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(86) Emergency Housing

Fiscal year 1957

NEAR EAST AND SOUTH ASIA	
Turkey: Reconstruction of earthquake damage in Fethiye.....	500,000

Mr. GRUENING. Mr. President, with respect to highway construction, the record of the Eisenhower-Nixon administration is equally one of applying a different and a tighter standard to our program here at home than is applied to highway projects for which U.S. dollars are spent abroad.

Here at home the Eisenhower-Nixon administration is adamant that the highway fund be kept solvent. And taxes must be raised to keep it so, says this administration.

However, abroad there is no question of any trust fund. Outright grants are made for highways in many foreign countries.

I ask unanimous consent to have printed at this point in the RECORD a list of highway projects for which U.S. dollars have been spent in the 5 fiscal years since 1955.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

<i>Fiscal year 1955—Continued</i>	
Vietnam: General program for roads and bridges.....	376,500
NEAR EAST, AFRICA AND SOUTH ASIA	
Egypt:	
Highway improvement.....	\$6,514,000
Transportation and communications, highways.....	10,500
Transportation, asphalt and bitumen training.....	3,000
Iran: Demonstration and training in use of highway maintenance equipment.....	406,667
Iraq: Highway development (Edwards, Kelsey, Beck contract).....	176,496
Israel: For road construction.....	18,750
Jordan: Roads.....	2,537,250
Lebanon: Public roads development.....	5,700,000
Liberia: Highway program (PW-5) highway maintenance.....	291,000
Pakistan:	
East Pakistan road development training program.....	4,660
Baluchistan States union road projects.....	693,815
Pakistan highway system and research development program.....	35,340
LATIN AMERICA	
Honduras: Consultation in highways.....	9,600
Mexico: Observation and seminars for Latin American public works and highway officials.....	3,000
Paraguay:	
Trans-Chaco road project.....	20,817
Demonstration and training project, road construction and maintenance.....	100,000
Peru: Bridge construction.....	3,650
Overseas territories: British Guiana: Transportation, highways.....	2,600
<i>Fiscal year 1956</i>	
FAR EAST	
Cambodia:	
Port highway.....	7,400,000
Highway repair and maintenance.....	765,000
Repair, rehabilitation, and construction, bridges.....	650,000
China (Taiwan):	
East-West highway construction (RETSEER).....	400,000
Heavy construction equipment, THB.....	208,200
Highway improvement and administration.....	13,000
Indonesian Republic: Highway technical training.....	34,000
Korea:	
Highway transportation trainees.....	15,000
Asphalt hot mix plant.....	160,000
Highway and bridge construction.....	545,000
Heavy equipment and spare parts for highway and street construction.....	275,000
Laos: Reopening and establishing maintenance on national roads.....	2,678,019
Philippines: Highway improvement.....	2,419,000
Thailand:	
Highway development.....	75,000
Highway; special northeast.....	6,212,000
Highways, expanded aid.....	2,302,900
Vietnam: Highways and bridges.....	5,440,000
NEAR EAST AND SOUTH ASIA	
Egypt: Transportation and communications highway improvement.....	21,500
Greece: Training in road design, pavements and testing material.....	27,000
India: Highway transportation.....	8,000
Iran: Demonstration and training in the use of highway maintenance equipment.....	354,900
Iraq: Highway development (Edwards, Kelsey Beck contract).....	316,000
Israel: Road construction.....	25,000
Jordan: Roads.....	263,100
Lebanon:	
Public roads development of Lebanon-Beirut-Maamleite highway.....	100,000
Beirut-Syrian border highway.....	3,200,000
Pakistan:	
East Pakistan road development and training program.....	939,389
Pakistan highway system and research demonstration program.....	142,450
Turkey: Highway engineering advisers.....	147,000
AFRICA	
Liberia: Highway program, PW-5.....	256,200
Overseas territories: United Kingdom: Public Works Department engineer to United States.....	6,000
EUROPE	
Spain: American highway practices study.....	15,000
LATIN AMERICA	
Bolivia:	
Administration (Bolivian-American Cooperative Road Service).....	52,313
Demonstration of equipment maintenance and repair (Servicio Cooperativo Boliviano-Americano de Caminos).....	32,187
Demonstration of road maintenance and betterment (Bolivian-American Cooperative Road Service).....	51,100
Construction and maintenance of road system, Cochabamba-Santa Cruz.....	1,187,350

<i>Fiscal year 1956—Continued</i>	
Colombia:	
Training program in highway construction and maintenance.....	\$23,500
Highway construction and maintenance project Valle, Canca, and Caldas (CVO).....	10,000
Costa Rica: Highway improvement project.....	27,960
Guatemala:	
Pacific Slope Highway (Popoja to Coatepeque section).....	1,700,000
Atlantic Highway.....	5,205,000
Quetzaltenango-Retalhucul Road.....	950,000
Pacific Slope Highway, east and west sections.....	1,206,000
Haiti:	
Voldrogue Pourcine Road (completion).....	423,740
Anse D'Hainault, sources Chaudes market road (completion).....	38,800
Low level bridge across Voldrogue River.....	63,842
Survey and construction of Pestel-Corail Highway.....	222,000
Survey and construction of Les Anglais-Tiburon market road.....	40,000
Honduras: Consultation in highways.....	39,076
Nicaragua: Public roads.....	17,644
Paraguay:	
Trans-Chaco road project.....	91,200
Demonstration and training, road construction and maintenance.....	123,700
Overseas territories: British Guiana: Highway construction, maintenance and design project.....	18,000
<i>Fiscal year 1957</i>	
FAR EAST	
Cambodia:	
Port highway.....	8,500,000
Highway, bridge rehabilitation and construction.....	435,000
China:	
Highway bridge engineering.....	5,000
Municipal road improvement, provincial department of reconstruction.....	6,000
East-west highway construction.....	450,000
Highway improvement.....	5,000
Highway and traffic engineering training.....	4,000
Japan: Highway study.....	39,000
Korea:	
Highway and bridge construction and rehabilitation.....	1,561,000
Heavy equipment and spare parts for highway, street paving, bridge construction and repair shop.....	2,400,000
Road and street paving rehabilitation.....	913,000
Laos: Reopening and establishing maintenance on national roads.....	1,050,000
Philippines: Highway improvement.....	3,579,000
Thailand:	
Highways, special northeast.....	1,824,000
General highway improvement.....	8,102,000
Highway department operations.....	454,000
Bangkok-Bangkok road improvement.....	97,000
Vietnam: Highways and bridges.....	12,462,000
NEAR EAST AND SOUTH ASIA	
Afghanistan: National roads improvement and maintenance.....	2,132,000
Ceylon: Highway development.....	965,000
India: Highway transportation.....	13,000
Iran: Highway equipment maintenance and repair shops.....	1,060,000
Iraq: Highway development.....	304,000
Israel: Road construction.....	7,000
Jordan:	
Road development.....	7,000
Roads.....	1,358,000
Highway administration.....	16,000
Lebanon:	
Public roads development of Lebanon (coastal).....	1,000,000
Highway advisory and training project.....	28,000
Pakistan:	
East Pakistan road development and training.....	79,000
West Pakistan road construction.....	35,000
Highway system.....	34,000
Turkey: Highway engineering advisers.....	173,000
Baghdad Pact:	
Regional highway project, Turkey and Iran.....	1,340,000
Do.....	860,000
Total.....	9,411,000
AFRICA	
Liberia: Highway program.....	343,000
Libya: Rehabilitation and construction of provincial and federal roads.....	907,000
Overseas territories:	
Somalia: Highway improvement.....	2,000
United Kingdom:	
Road research engineer.....	8,000
U.S. highway economist-engineer to the Federation of Rhodesia and Nyasaland.....	4,000
Southern Rhodesia, highway planning and construction.....	3,000

<i>Fiscal year 1957—Continued</i>	
EUROPE	
Spain: American highway practices studies.....	\$12,000
LATIN AMERICA	
Bolivia:	
Administration (Bolivian-American Cooperative Road Service).....	46,000
Demonstration of road maintenance and betterment (Bolivian-American Cooperative Road Service).....	133,000
Colombia: Highway construction and maintenance project Valle, Canca and Caldas and training of highway engineers.....	24,000
Costa Rica: Highway improvement project (training personnel).....	14,000
Guatemala:	
Atlantic highway.....	6,043,000
Pacific slope highway east and west sections.....	1,700,000
Project access roads (rural development program).....	700,000
Honduras: Consultation in highway development.....	32,000
Mexico: Training facilities for operators and mechanics.....	100,000
Nicaragua: Transportation, highways.....	14,000
Overseas territories: British Guiana: Road development project.....	10,000
(32) Urban Transit and Traffic Engineering	
<i>Fiscal year 1957</i>	
FAR EAST	
Korea: Urban transit-streetcar rehabilitation.....	\$105,000
NEAR EAST AND SOUTH ASIA	
Israel: Highway transportation and automotive requirements.....	18,000
EUROPE	
Spain: Urban transportation study.....	7,000
(31) Highways	
<i>Fiscal year 1958</i>	
FAR EAST	
Cambodia:	
Port highway.....	6,111,000
Highway and bridge repair and rehabilitation.....	398,000
China (Taiwan): East-west highway construction (RETSEER).....	589,000
Indonesian Republic: Highway construction and rehabilitation.....	8,000,000
Korea: Highway and bridge construction and rehabilitation.....	992,000
Laos: Reopening and maintenance on national roads.....	1,107,000
Philippines: Highway improvement.....	1,635,000
Thailand:	
Highways, special northeast.....	692,000
Highway department operations.....	154,000
East-west highway.....	2,000,000
Vietnam: Highways and bridges.....	14,944,000
NEAR EAST AND SOUTH ASIA	
Afghanistan: National roads improvement and maintenance.....	807,000
Ceylon: Highway development.....	111,000
India: Highway transportation.....	12,000
Iraq: Highway development.....	140,000
Jordan:	
Roads.....	1,200,000
Highway administration.....	402,000
Highway construction.....	1,045,000
Lebanon: Highway development of Lebanon.....	37,000
Nepal: Regional projects personnel.....	43,000
Pakistan:	
East Pakistan road development and training program.....	83,000
Karachi-Kalat-Quetta road project.....	66,000
Turkey: Highway engineering advisers.....	162,000
AFRICA	
Liberia: Highway program.....	394,000
Libya: Rehabilitation and construction of Provincial and Federal roads.....	1,300,000
Overseas territories:	
Somalia: Highway improvement.....	47,000
United Kingdom:	
Highway engineering.....	22,000
Study of highway maintenance.....	2,000
EUROPE	
Spain:	
American highway practices study.....	15,000
Training highway construction mechanics and operators.....	41,000
LATIN AMERICA	
Bolivia:	
Administration (road servicio).....	68,000
Demonstration road maintenance and betterment.....	181,000
Colombia: Transportation, practical training in highway construction and maintenance.....	29,000
Cuba: Public roads training.....	5,000
Guatemala: Project access roads (rural development program).....	675,000

Fiscal year 1958—Continued

Honduras: Consultation in highways.....	\$37,000
Mexico: Training facilities for operators and mechanics.....	2,000
Nicaragua: Transportation, highways.....	5,000
Overseas territories: British Guiana: Roads development project.....	17,000

ASIAN ECONOMIC DEVELOPMENT FUND

India-Nepal roadway.....	5,000,000
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Fiscal year 1959

FAR EAST

Burma: Rangoon-Mandalay road.....	750,000
Cambodia:	
Port highway.....	2,240,000
Highway engineering advisory services.....	6,000
China (Taiwan): East-west highway construction (RETSER).....	33,000
Korea: Highway and bridge construction rehabilitation.....	1,057,000
Laos: Development of Lao national road system.....	1,265,000
Philippines: Highway improvement.....	546,000
Thailand:	
Highway department operations.....	403,000
East-west highway.....	3,813,000
Bangkok-Saraburi highway.....	115,000
Korat-Nongkhal highway.....	85,000
Highway materials survey.....	15,000
Vietnam: Highway and bridge construction.....	15,282

NEAR EAST AND SOUTH ASIA

Afghanistan: National roads improvement and maintenance.....	400,000
Ceylon: Highway development.....	151,000
India: Highways and bridges.....	20,000
Jordan:	
Highway and management.....	150,000
Highway construction.....	470,000
Lebanon: Highway development.....	361,000
Nepal: Regional project.....	96,000
Sudan:	
Highway development.....	901,000
Highway construction demonstration (North Khartoum-Khagalah road).....	560,000
Turkey: Highway engineering advisers.....	132,000
United Arab Republic: Highway development.....	225,000

AFRICA

Liberia: Highway program.....	292,000
Libya: Roads.....	600,000
Overseas Territories: United Kingdom:	
Southern Cameroons, highways engineering training.....	3,000
Road engineering study course.....	4,000

EUROPE

Spain:	
American highway practices study.....	22,000
Training highway construction mechanics operators.....	51,000

LATIN AMERICA

Argentina: Highway transportation, advanced highway engineering training.....	4,000
Bolivia:	
Administration (roads servicio).....	91,000
Demonstration road maintenance and betterment.....	168,000
Colombia: Training, highway construction and maintenance.....	38,000
Costa Rica: Ministry of Public Works, highway planning.....	7,000
Cuba: Public roads training.....	1,000
El Salvador: International road educational foundation training program.....	6,000
Honduras: Consultation in highways.....	47,000
Mexico: Training facilities for operators and mechanics.....	31,000
Nicaragua: Transportation, highways.....	7,000
Overseas territories: British Guiana: Roads development project.....	19,000
The West Indies and East Caribbean: Road improvement demonstration and training.....	11,000

Mr. GRUENING. Mr. President, the Eisenhower-Nixon double standard also applies to the development and utilization of one of the Nation's great mineral resources—coal.

A bill passed by Congress last year to encourage and stimulate the production and conservation of coal in the United States received a Presidential veto, but the Eisenhower-Nixon policy of sending U.S. dollars abroad to develop foreign mineral resources continued unabated.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a list of mineral development projects abroad supported by

U.S. dollars under the Eisenhower-Nixon administration.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

TABLE 7.—Industry and mining
Fiscal year 1955

FAR EAST	
China (Taiwan):	
Coal Exploration.....	\$5,000
Coal Production Techniques.....	2,000
Philippines: Coal surveys.....	35,000
Vietnam: Coal strip mining survey.....	7,000
NEAR EAST AND SOUTH ASIA	
Afghanistan: Mineral resources and coal production.....	67,000
Turkey: Zonguldak coal basin development P-1.....	204,400
EUROPE	
Austria: Coal mining experts.....	10,000
Spain: Coal mining study.....	8,640
LATIN AMERICA	
Colombia: Development of coal resources of Department of Cauca and the Cauca Valley.....	19,238
Honduras: Coal resources survey and development.....	7,950
Fiscal year 1956	
FAR EAST	
China (Taiwan):	
Coal mine improvement.....	103,000
Coal exploration.....	25,000
Coal mine demonstration.....	100,000
Korea:	
Coal mining operations and management.....	1,800
Development of Hambak coal fields.....	550,000
Test drilling of Hambak coal field.....	500,000
Philippines: Coal surveys.....	53,000
NEAR EAST AND SOUTH ASIA	
Afghanistan: Mineral resources and coal production.....	93,000
Pakistan: Development Makarwal collieries.....	502,000
Turkey: Zonguldak coal basin development.....	661,000
EUROPE	
Spain:	
Coal mining productivity study.....	3,840
Coal mining consultants.....	11,925
LATIN AMERICA	
Colombia: Development of coal resources, Department of Cauca and the Cauca Valley.....	23,000
Honduras: Industry, mining coal resources survey.....	29,107

Fiscal year 1957

FAR EAST	
China (Taiwan): Coal mine improvement.....	782,000
Korea:	
Test drilling of Hamraik coalfields.....	139,000
Mine development—Daeban coal mine.....	3,247,000
Geophysical survey and test drilling, Haasum and Eunsung coalfields.....	136,000
Philippines: Coal surveys.....	24,000
Vietnam: Nong Son coal exploration survey.....	56,000
NEAR EAST AND SOUTH ASIA	
Afghanistan: Mineral resources and coal production.....	875,000
Turkey: Zonguldak coal basin development.....	380,000
LATIN AMERICA	
Colombia: Coal resources development in the Department of Cauca in the Cauca Valley.....	13,000
Honduras: Industry mining coal resources development.....	75,000

Fiscal year 1958

FAR EAST	
China (Taiwan): Coal mining development.....	689,000
Korea: Coal mining development.....	245,000
Vietnam: Nong Son coal exploration survey.....	12,000
NEAR EAST AND SOUTH ASIA	
Afghanistan: Mineral resources and coal production.....	164,000
India: Assistance to coal industries.....	10,000
Turkey: Zonguldak coal basin development.....	62,000
EUROPE	
Yugoslavia: Mining and minerals, coal mining, coke and byproducts.....	308,000
LATIN AMERICA	
Colombia: Coal resources development in the Department of Cauca in the Cauca Valley.....	25,000
Honduras: Coal resources development.....	13,000

Fiscal year 1959

FAR EAST	
China (Taiwan): Coal mine development.....	966,000
Korea: Coal mine development.....	963,000
Vietnam: Nong Son coal mine development.....	1,630,000

Fiscal year 1959—Continued

NEAR EAST AND SOUTH ASIA

Afghanistan: Mineral resources and coal production.....	\$82,000
India: Assistance to coal industry.....	27,000
Turkey: Undersea coal mining operations.....	3,000

EUROPE

Yugoslavia: Mining and minerals, coal mining, coke and coke byproducts.....	260,000
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LATIN AMERICA

Colombia: Coal resources development in the Department of Cauca in the Cauca Valley.....	19,000
Honduras: Coal resources survey.....	18,000

Mr. GRUENING. My final example—although many more are available, and would be referred to if time permitted—of the Eisenhower-Nixon double standard relates to this administration's lack of a comprehensive program of forest and range management research, of a program for forest protection research, of a program for forest products utilization, and of a program for forest resources research. Those programs are of great interest to many Members of the Senate—not only to me, but also to the distinguished Senator from Mississippi [Mr. STENNIS] whom I see on the floor, as well as to many other Senators. But despite the programs which were voted by Congress, this administration proceeded, on the basis of the Eisenhower-Nixon double standard, to insist that no funds or scant funds should be devoted to such programs in our country, whereas the administration was at the same time continuing to take the position that it was essential that large amounts of the funds of the American taxpayers be spent for very large programs of conservation and forest resources development in other countries. Mr. President, that is but another example of the double standard that is being followed by this administration.

Mr. STENNIS. Mr. President, I wish to thank the Senator from Alaska for his statement in support of the importance of these programs in the United States—programs which are of extremely great importance; and certainly we hope that these programs in our country will be carried forward next year by the Congress.

Mr. GRUENING. All of us certainly hope so.

A forest research program was sponsored by the Department of Agriculture and the modest sum of \$6 million was requested for the fiscal year 1961. But this request, approved by the Secretary of Agriculture, was cut by the Bureau of the Budget to \$1,780,400—it was cut to less than one-third of what the Secretary of Agriculture of this very administration believed was needed for this vital program at home.

Such a distressing lack of a broad-range research program with respect to a product vital to the United States is in marked contrast to the Eisenhower-Nixon program for the development of forest resources abroad.

I ask unanimous consent that there be printed at this point in my remarks a list of such projects abroad supported under the Eisenhower-Nixon administration's double standard.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

TABLE 8.—Agriculture and natural resources
(17) Forestry

Fiscal year 1955	
FAR EAST	
China: Logging operations improvement.....	\$355,000
Laos: Development of lumber industry.....	134,000
Philippines: Forest management and forest products laboratory.....	325,000
Vietnam: Reforestation and erosion control.....	92,500
Regional: Study of U.S. mechanical extraction of timber by J. O. Egerton, of Malaya.....	3,160
NEAR EAST, AFRICA, AND SOUTH ASIA	
India: Tropical forestry training, Puerto Rico.....	15,000
Iran: Forestry and conservation.....	81,238
Jordan: Afforestation and watershed protection.....	500,000
Lebanon: Range management and forestry.....	36,000
Liberia: Forest conservation.....	69,500
Libya: Forestry: Tripolitania.....	13,875
Cyrenaica.....	33,905
Pakistan: East Pakistan, forest research laboratory.....	78,600
Chittagong hill tracts timber extraction.....	254,660
Turkey: Forest range and watershed management.....	1,500
Forestry.....	30,800
OVERSEA TERRITORIES	
United Kingdom: Forestry program.....	63,500
EUROPE	
Spain: Organization and methods for the prevention and control of forest fires and forest pests.....	4,032
Forestry, range management.....	4,032
Use of mechanical equipment in forestry.....	4,032
Forest utilization and products.....	4,032
Yugoslavia: 3d country training, forestry practices and policies.....	4,800
LATIN AMERICA	
Chile: Reforestation, soil and water conservation in the area development program (lands and colonization).....	19,500
Colombia: National forestry experiment station.....	13,373
Costa Rica: Forestry development and conservation.....	13,881
Guatemala: Tropical forestry training course.....	629
Haiti: Technical assistance in forestry.....	8,900
Mexico: Tropical forestry course.....	2,175
Paraguay: Forestry.....	14,324
Peru: Agriculture and Natural resources.....	2,480
Total, 1955.....	2,184,427
Fiscal year 1956	
FAR EAST	
China (Taiwan): Forestry (JORR).....	63,000
RETSEER forestry.....	60,000
Forest policies and management plans (JORR).....	25,000
Korea: Forestry development.....	112,000
Laos: Development of lumber industry.....	200,000
Philippines: Forest management and Forest Products Laboratory.....	155,000
Vietnam: Reforestation and erosion control.....	76,130
NEAR EAST AND SOUTH ASIA	
Greece: Training in forestry.....	10,290
Iran: Forestry and conservation.....	53,068
Jordan: Forest management.....	40,000
Afforestation and watershed protection.....	37,000
Lebanon: Range management and forestry.....	17,000
Pakistan: Chittagong Hill tracts timber extraction project.....	169,630
Turkey: Forestry development.....	36,650
AFRICA	
Liberia: Forest conservation.....	78,980
Libya: Forestry: Cyrenaica.....	145,400
Tripolitania.....	104,400
EUROPE	
Spain: Forest utilization and products.....	3,000
Forestry.....	24,840
Forestry range management specialists.....	12,900
Reforestation mechanization specialist.....	4,000
Yugoslavia: Forestry.....	27,076
LATIN AMERICA	
Chile: Chilean-American agreement for a program of silviculture assistance (Corfo).....	33,500
Reforestation, soil, and water conservation in the area development program (lands and colonization).....	25,000
Do.....	21,950

Fiscal year 1956—Continued

Colombia: National forestry experiment station.....	\$17,600
Guatemala: 5th international tropical forestry course in Costa Rica.....	490
Haiti: Technical assistance in forestry.....	12,851
Paraguay: Forestry.....	24,812
OVERSEA TERRITORIES	
Miscellaneous DOTs: Tropical forestry training in Puerto Rico.....	5,500
Regional total: Regional forestry specialist (Panama).....	15,900
Total, 1956.....	1,612,967

Fiscal year 1957

FAR EAST	
Cambodia: Forest resources development.....	20,000
China: TA Shu Shan logging operations.....	481,000
Forestry.....	82,000
Forest policies and management plans.....	18,000
Forestation and tree gum.....	40,000
Korea: Forestry development.....	168,000
Laos: Conservation and development of forest resources.....	44,000
Philippines: Forest management and forest products laboratory.....	46,000
Vietnam: Reforestation and erosion control.....	13,000
NEAR EAST AND SOUTH ASIA	
Iran: Range and forest management.....	56,000
Project for contributing to the completion of forest surveys in Iran.....	151,000
Pakistan: East Pakistan Forest Research Laboratory.....	165,000
Chittagong Hill tracts—Timber extraction project.....	270,000
Turkey: Forestry development.....	355,000
AFRICA	
Liberia: Forest conservation.....	59,000
Libya: Forestry.....	23,000
Do.....	196,000
OVERSEAS TERRITORIES	
Somalia: Forestry development.....	3,000
United Kingdom: U.S. dry-zono silviculturist to Nyasaland.....	27,000
EUROPE	
Spain: Forestry demonstrations.....	41,000
Reforestation mechanization specialists.....	4,000
Forage and range management demonstration.....	16,000
Yugoslavia: Forestry.....	38,000
LATIN AMERICA	
Chile: Reforestation, soil, and water conservation in the area development program.....	13,000
Do.....	22,000
Haiti: Technical advisory assistance to Société Haitiano-Américaine de Développement Agricole.....	12,000
Paraguay: Forestry.....	15,000
OVERSEA TERRITORIES	
British Guiana: Preliminary forest survey project.....	2,000
Total, 1957.....	2,380,000

Fiscal year 1958

FAR EAST	
Burma: Forestry, timber extraction.....	690,000
Cambodia: Forestry resources development.....	135,000
China (Taiwan): TA Shu Shan logging operations.....	256,000
Forestry development (JORR).....	81,000
Laos: Conservation and development of forest resources.....	12,000
Philippines: Forest management (including College of Forestry).....	132,000
NEAR EAST AND SOUTH ASIA	
Iran: Range and forest management.....	38,000
Jordan: Afforestation watershed protection.....	100,000
Pakistan: East Pakistan Forest Research Laboratory.....	41,000
Chittagong Hill tracts, timber extraction.....	300,000
Turkey: Forestry development.....	65,000
AFRICA	
Liberia: Forest conservation.....	54,000
Libya: Forestry.....	335,000
OVERSEA TERRITORIES	
Somalia: Forestry.....	17,000
EUROPE	
Spain: Forestry demonstrations.....	46,000
Organization and development of a forestry grazing service.....	4,000
Yugoslavia: Forestry.....	55,000

Fiscal year 1958—Continued

LATIN AMERICA	
Chile: Forest development.....	\$45,000
Colombia: National forest resource development.....	45,000
Costa Rica: Forestry.....	15,000
Haiti: Technical advisory assistance to Société Haitiano-Américaine de Développement Agricole.....	22,000
Paraguay: Forestry.....	21,000
OVERSEA TERRITORIES	
British Guiana: Check cruise of forest survey in Bartica area.....	1,000
Total, 1958.....	2,510,000
Fiscal year 1959	
FAR EAST	
Cambodia: Forest resources development.....	80,000
China: Forestry development (JORR).....	79,000
Laos: Conservation and development of forest resources.....	28,000
Philippines: Forest management.....	224,000
NEAR EAST AND SOUTH ASIA	
Iran: Range and forest management.....	115,000
Jordan: Afforestation and watershed protection.....	38,000
Pakistan: East Pakistan Forest Research Laboratory.....	26,000
AFRICA	
Liberia: Forest conservation.....	230,000
Libya: Forestry.....	359,000
OVERSEA TERRITORIES	
Somalia: Forestry.....	3,000
EUROPE	
Spain: Forestry demonstration.....	57,000
Yugoslavia: Forestry.....	192,000
LATIN AMERICA	
Colombia: Forest resources development.....	48,000
Guatemala: Forestry school.....	21,000
Paraguay: Forestry.....	6,000
Peru: Forestry resources development program.....	19,000
Total, 1959.....	1,525,000
Total foreign aid expenditures on forestry programs, fiscal years 1955 through 1959.....	10,212,394

Mr. GRUENING. The foregoing, Mr. President, are but a few of the many examples which can be cited of the Eisenhower-Nixon double standard under which needed programs at home are cut back, starved, or "phased out" while similar projects abroad are dealt with with a lavish hand and are accompanied by a strict injunction from the White House that not one penny should be cut by Congress from the funds requested by the administration for those projects in other countries.

The high water mark was reached the other day when the Congress was asked to vote a blank check for \$100 million for the foreign aid for Africa and \$500 million for South America, with no details being given as to how the funds authorized would be used—despite the fact that Congress had voted a blank check contingency fund for such emergencies, as the distinguished senior Senator from Louisiana [Mr. ELLENDER] pointed out earlier this afternoon.

Mr. President, I predict that when the appropriation bill carrying out this authorization comes before us, we shall find ourselves estopped from setting forth in that bill any guidelines for these programs.

It was most gratifying the other evening when the distinguished junior Senator from Montana [Mr. MANSFIELD] indicated that he would give serious consideration to joining me in insisting that foreign projects meet the same standards as domestic projects. But such standards are not applied in the pending bill to foreign projects—which is why I cannot in good conscience support this

foreign-aid program. I am old fashioned or conservative enough to believe that the American people should at the very least have equal treatment from their own Government with the people of foreign countries.

I was pleased, therefore, to note that the bill as reported contains the provision in section 102 that foreign projects "must meet a feasibility ratio of related programs in the United States based on the engineering information available at the time the project is being considered."

I compliment the distinguished senior Senator from Arizona [Mr. HAYDEN], and the other members of his committee on the decision to accept wording so similar to that contained in the House version of the bill.

I have refrained from offering an amendment restoring the House language. I would, however, address this question to the distinguished senior Senator from Arizona: Can he give me any assurance that, in conference, some language along the lines of that contained in section 102 will be retained, and that the entire concept will not be dropped?

Mr. HAYDEN. The Senator from Alaska can certainly depend on having the Senate conferees do their utmost to have the concept retained, not dropped.

Mr. GRUENING. I certainly hope it will be retained. I also hope very much that the procedure and controls that are applied to domestic programs also will be applied to our foreign-aid programs.

Mr. President, I yield the floor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 1066. An act to revise the boundaries and change the name of Fort Donelson National Military Park, and for other purposes; and

S. 2806. An act to revise the boundaries of the Coronado National Memorial and to authorize the repair and maintenance of an access road thereto, in the State of Arizona, and for other purposes.

The message also announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 1321. An act to authorize the Attorney General to consent, on behalf of the Library of Congress Trust Fund Board, to a modification of the terms of a trust instrument executed by James B. Wilbur; and

S. 1806. An act to revise title 18, chapter 39, of the United States Code, entitled "Explosives and Combustibles."

The message further announced that the House had agreed to the amendment of the Senate to the bill (H.R. 5054) to amend the Tariff Act of 1930 with respect to the marketing of imported articles and containers.

The message also announced that the House had agreed to the amendments of

the Senate to each of the following bills of the House:

H.R. 2339. An act to revise, codify, and enact into law title 39 of the United States Code, entitled "The Postal Service"; and

H.R. 5789. An act to incorporate the Agricultural Hall of Fame.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2669) to extend the period of exemption from inspection under the provisions of section 4426 of the Revised Statutes granted certain small vessels carrying freight to and from places on the inland waters of southeastern Alaska.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10455) to amend the Mineral Leasing Act of February 25, 1920.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11666) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1961, and for other purposes, and that the House receded from its disagreement to the amendment of the Senate numbered 22 to the bill, and concurred therein.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 12580) to extend and improve coverage under the Federal old-age, survivors, and disability insurance system and to remove hardships and inequities, improve the financing of the trust funds, and provide disability benefits to additional individuals under such system; to provide grants to States for medical care for aged individuals of low income; to amend the public assistance and maternal and child welfare provisions of the Social Security Act; to improve the unemployment compensation provisions of such act; and for other purposes; agree to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. FORAND, Mr. KING of California, Mr. O'BRIEN of Illinois, Mr. MASON, Mr. BYRNES of Wisconsin, and Mr. BAKER were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 1464. An act for the relief of Dr. Josephine L. Go and Dr. Welles P. Go;

H.R. 8166. An act for the relief of the Crum-McKinnon Building Company, Billings, Mont.;

H.R. 8885. An act for the relief of William L. Berryman;

H.R. 9041. An act for the relief of Joseph Starker;

H.R. 9523. An act to simplify the payment of certain miscellaneous judgments and the payment of certain compromise settlements;

H.R. 9732. An act to authorize the Secretary of Agriculture to convey certain prop-

erty in the State of California to the county of Trinity;

H.R. 10154. An act to validate a certain conveyance of land in Riverside County, Calif., made on September 28, 1885, by the Southern Pacific Railroad Co., and others;

H.R. 10627. An act for the relief of Louis Lewis;

H.R. 11136. An act for the relief of the Princess Anne County School Board, Virginia.

H.R. 11200. An act to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in lands located in the State of Florida to the record owners of the surface thereof;

H.R. 11380. An act for the relief of Mr. Joe J. Farmer;

H.R. 11531. An act to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty," approved March 17, 1882, as amended, and for other purposes;

H.R. 11560. An act for the relief of Eugene C. Harter;

H.R. 11561. An act to authorize and direct the Secretary of the Army to convey part of lock and dam No. 10, Kentucky River, Madison County, Ky., to the Pioneer National Monument Association for use as part of a historic site;

H.R. 11757. An act for the relief of Mary A. Combs;

H.R. 11897. An act to amend section 1073 of title 18, United States Code, the Fugitive Felon Act;

H.R. 11957. An act to facilitate the selection by Alaska, pursuant to the act of July 7, 1958, of certain public lands under outstanding mineral lease or permit;

H.R. 12043. An act to amend sections 22, 23, and 24, title 13, United States Code, and for other purposes;

H.R. 12079. An act for the relief of Essie V. Johnson;

H.R. 12100. An act for the relief of William C. Winter, Jr., lieutenant colonel, U.S. Air Force (Medical Corps);

H.R. 12336. An act to amend section 507 of the Classification Act of 1949, as amended with respect to the preservation of basic compensation in downgrading actions;

H.R. 12458. An act to increase the amount authorized to be appropriated for the work of the President's Committee on Employment of the Physically Handicapped;

H.R. 12539. An act to implement section 4 of the act approved December 22, 1944 (Public No. 534, 78th Cong.), as amended;

H.R. 12566. An act to amend section 4004 of title 38, United States Code, to require that the Board of Veterans' Appeals render findings of fact and conclusions of law in the opinions setting forth its decisions on appeals;

H.R. 12663. An act to preserve the rates of basic salary of postal field service employees in certain cases involving reductions in salary standing, and for other purposes;

H.R. 12849. An act to protect farm and ranch operators making certain land use changes under the Great Plains conservation program and the soil bank program against loss of cropland acreage and acreage allotments; and

H.J. Res. 713. Joint resolution to authorize the use of surplus grain by the States for emergency use in the feeding of resident game birds and other wildlife, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 5789) to incorporate the Agricultural Hall of Fame, and it was signed by the President pro tempore.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles and referred or placed on the calendar, as indicated:

H.R. 1464. An act for the relief of Dr. Josephine L. Go and Dr. Welles P. Go;

H.R. 8166. An act for the relief of the Crum-McKinnon Building Co., Billings, Mont.;

H.R. 8885. An act for the relief of William L. Berryman;

H.R. 9041. An act for the relief of Joseph Starker;

H.R. 9523. An act to simplify the payment of certain miscellaneous judgments and the payment of certain compromise settlements;

H.R. 10627. An act for the relief of Louis Lewis;

H.R. 11136. An act for the relief of the Princess Anne County School Board, Virginia;

H.R. 11380. An act for the relief of Mr. Joe J. Farmer;

H.R. 11560. An act for the relief of Eugene C. Harter;

H.R. 11757. An act for the relief of Mary A. Combs;

H.R. 11897. An act to amend section 1073 of title 18, United States Code, the Fugitive Felon Act;

H.R. 12079. An act for the relief of Essie V. Johnson; and

H.R. 12100. An act for the relief of William C. Winter, Jr., lieutenant colonel, U.S. Air Force (Medical Corps); to the Committee on the Judiciary.

H.R. 9732. An act to authorize the Secretary of Agriculture to convey certain property in the State of California to the county of Trinity; and

H.J. Res. 713. Joint resolution to authorize the use of surplus grain by the States for emergency use in the feeding of resident game birds and other wildlife, and for other purposes; to the Committee on Agriculture and Forestry.

H.R. 10154. An act to validate a certain conveyance of land in Riverside County, Calif., made on September 28, 1885, by the Southern Pacific Railroad Co. and others;

H.R. 11200. An act to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in lands located in the State of Florida to the record owners of the surface thereof; and

H.R. 11957. An act to facilitate the selection by Alaska, pursuant to the act of July 7, 1958, of certain public lands under outstanding mineral lease or permit; to the Committee on Interior and Insular Affairs.

H.R. 11531. An act to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty," approved March 17, 1882, as amended, and for other purposes;

H.R. 12043. An act to amend sections 22, 23, and 24, title 13, United States Code, and for other purposes;

H.R. 12336. An act to amend section 507 of the Classification Act of 1949, as amended with respect to the preservation of basic compensation in downgrading actions; and

H.R. 12663. An act to preserve the rates of basic salary of postal field service employees in certain cases involving reductions in salary standing, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 11561. An act to authorize and direct the Secretary of the Army to convey part of lock and dam numbered 10, Kentucky River, Madison County, Ky., to the Pioneer National Monument Association for use as part of a historic site; placed on the calendar.

H.R. 12566. An act to amend section 4004 of title 38, United States Code, to require

that the Board of Veterans' Appeals render findings of fact and conclusions of law in the opinion setting forth its decisions on appeals; to the Committee on Finance.

MODIFICATION OF TRUST INSTRUMENT EXECUTED BY JAMES B. WILBUR

Mr. AIKEN. Mr. President, I ask that the Chair lay before the Senate the amendments of the House of Representatives to Senate bill 1321.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1321) to authorize the Attorney General to consent, on behalf of the Library of Congress Trust Fund Board, to a modification of the terms of a trust instrument executed by James B. Wilbur, which were, on page 3, line 2, after "the", where it appears the second time, insert "United States and the", and on page 3, line 4, after "of", where it appears the first time, insert "The United States and."

Mr. AIKEN. Mr. President, this is a bill relating to a trust fund of the University of Vermont. I have discussed the matter with the majority leader and the minority leader. The House amendments are simply clarifying amendments.

I move that the Senate concur in the House amendments.

The amendments were agreed to.

MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATIONS, 1961

The Senate resumed the consideration of the bill (H.R. 12619) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

Mr. DWORSHAK. Mr. President—

The PRESIDING OFFICER. How much time does the Senator from Idaho yield to himself?

Mr. DWORSHAK. Mr. President, acting under the authority of the minority leader, I yield to myself such time as I may require. I do not expect to use more than 30 minutes.

The PRESIDING OFFICER. The Senator from Idaho may proceed.

Mr. DWORSHAK. Mr. President, as we proceed to deal with the very important subject of our program of aid to other countries, I believe it important to stress the point that, in my opinion, although excessive sums have been requested by the administration and have been appropriated, no aspect of partisanship has been involved in the program.

I emphasize that before the executive branch can spend any funds for this program, those appropriations must have been voted by the Congress. So it is obvious that whatever may be the faults or the limitations of this foreign aid program, and however excessive may have been the appropriations made for it, certainly the program is bipartisan, because it has been continued for many years only because the executive branch and an overwhelming majority of the Members of Congress have been in ac-

cord with the basic principles, which were outlined more than a decade ago when the Marshall plan was first initiated.

I wish to emphasize that point, Mr. President, because I am somewhat hesitant to oppose the administration's program. Although I am very sympathetic as regards the needs of other countries which are real friends of ours, I cannot agree with the objective of this administration and its philosophy that by spending more and more billions of dollars, we shall win new friends everywhere and thereby generate more interest among the free nations in resisting aggression by Soviet nations.

Mr. President, I, too, wish to commend the distinguished senior Senator from Louisiana [Mr. ELLENDER] for his courageous efforts during the past several years to clarify the entire issue of foreign aid spending by our country. I believe he has been broadminded in his approach to this issue, because he, too, realizes that although the executive branch spends the money for the program, the Congress itself makes the appropriations for it.

The Senator from Louisiana and I have served on the Appropriations Committee for a number of years; and during that service we have heard much testimony—although too much of it has been classified—dealing with our foreign aid operations, and also our relations with NATO. Likewise, the Senator from Louisiana and I have had the privilege of serving on the Appropriation Committee's Subcommittee on Appropriations for the Department of Defense, in connection with the defense budget, which this year amounts to approximately \$41 billion.

MODERNIZATION IS EXPENSIVE

Mr. President, I wish that all Members of the Senate could serve on the Appropriation Committee's subcommittee which handles the budget for the Department of Defense, for then every Senator would realize that in the transition to the atomic era and the missile age, we are constantly faced with the necessity of modernizing our Armed Forces.

In that respect there has been criticism in recent months by certain Members of this body because allegedly the Appropriations Committee did not recommend the appropriation of adequate funds to take care of modernizing and accelerating the missile program.

Mr. President, if we are getting the results we are entitled to get from the \$41 million we are spending on our defense program, certainly that sum is an adequate one. But, more important than that, we cannot justify spending billions of dollars to modernize the defense forces of our allies, particularly those in NATO. When we are facing the very sinister challenge which comes from behind the Iron Curtain, obviously we should endeavor to inspire our allies in NATO to make greater contributions to providing adequate manpower and financial support with which to implement the military program and the shield that NATO is presumed to be, in opposing the Soviet menace.

WARNING OF FINANCIAL CRISIS

Mr. President, just a year ago I made some remarks on the floor of the Senate, trying to forewarn Congress of the possibility that our rapidly dwindling supply of gold might create an emergency situation which could overnight become very acute, and subject this country to difficult problems and the possible loss of confidence and respect on the part of our allies.

A year ago in that speech I said I wanted to emphasize to the American people "that the security of their currency is being jeopardized by complacency in the handling of our gold reserves by the U.S. Treasury and indifference by Congress." I also pointed out that I thought Congress had a joint responsibility in meeting this challenge to preserve the solvency of our financial structure.

The record shows that in the intervening year this situation has not improved. In reality, it has worsened materially, because gold is going out of this country in the last three or four months at a more rapid rate than in the previous year.

Mr. President, it is heartening to note that some publications of nationwide circulation are endeavoring to sound an alert and a warning to the American people that we cannot be indifferent to these trends without courting disaster.

I wonder how long we shall continue to be complacent, thereby actually encouraging these trends which will lead to utter financial destruction.

The U.S. News & World Report of August 15, 1960, calls graphic attention to a further deterioration in the gold situation since I made my statement.

It notes a decline of \$3.7 billion during the 31 months ending July 31, 1960, to a total of \$19.2 billion gold on hand July 31.

Possible claims of foreign individuals and governments were reported increased by \$3.6 billion, during the same period, to a total of \$18.5 billion.

On July 31, 1960, U.S. gold, free of foreign claims, was reported as \$700 million, or \$300 million less than \$1 billion.

On February 6, 1960, Senator ROBERTSON, chairman of the Senate Committee on Banking and Currency, directed this question, among many others to William McC. Martin, Jr., Chairman of the Federal Reserve System Board of Governors:

What is the total amount of gold required for the backing of our currency?

To which Mr. Martin replied as follows:

Twelve thousand one hundred and eighty-two million dollars (December 31, 1959; equal to 25 percent of Federal Reserve notes and deposit liabilities plus \$187 million reserve against U.S. notes, Treasury notes of 1890, and pre-1933 issues of gold certificates).

So today, while we have virtually only one-half billion dollars of gold in our reserves against which there are no foreign commitments or obligations, the Chairman of the Federal Reserve Board admits that, under the law, there should be \$12 billion worth of gold to back up

our Federal Reserve notes. I wonder if we can justify this kind of financial manipulation?

DEMAND FOR GOLD INCREASES

I also want to refer to some comments appearing in the August 15 issue of U.S. News & World Report, based on statistics furnished by the U.S. Treasury and the Federal Reserve Board. In this article, which is headed, "Gold Flowing Out Again—What It Means," the publication says the following:

There's a new drain on U.S. supplies of gold. Reserves are at a 20-year low. Why?

Demand for gold by foreigners has picked up. Some are moving funds out of low-yielding U.S. Treasury bills into foreign securities paying higher interest.

Is this a threat to the dollar? U.S. officials say there's no cause for alarm at the moment.

This is an introduction to a very informative article, telling the readers of the U.S. News & World Report, and Americans throughout our country, the grave implications and the possible impact unless we can terminate, or minimize materially, the constant drain on our gold reserves.

The same publication on August 15 refers to some pertinent facts. I quote them:

Since the beginning of 1958:

U.S. gold reserve has shrunk by \$3.7 billion.

Gold on hand January 1, 1958: \$22.9 billion.

Gold on hand, July 31, 1960: \$19.2 billion. Possible foreign claims against U.S. gold have increased by \$3.6 billion.

Foreign claims January 1, 1958: \$14.9 billion.

Foreign claims July 31, 1960: \$18.5 billion. Gold left over, free of foreign claims, has diminished by \$7.3 billion.

Free gold January 1, 1958: \$8 billion.

Free gold July 31, 1960: \$7 billion.

But United States must have on hand now, as backing for money, \$11.9 billion in gold.

Thus, if all claims were presented for payment in gold, United States would not have enough gold to go around and still maintain the reserve required by law against currency and deposits.

Actually, it is highly unlikely that all these claims would be presented for gold. Nearly half of all the claims are privately held, and these would be paid in gold only if turned in through foreign central banks.

Still, with possible claims continuing to rise, and the gold outflow now taking another spurt, the trend is becoming a matter of official concern.

Mr. President, I should like to refer to another excerpt of that article, calling attention to the long-range outlook, as follows:

While U.S. Government officials and private bankers are not unduly disturbed by the recent rise in claims against U.S. gold, they are concerned about the longer term outlook for the U.S. economy—and the stability of the U.S. dollar—if this country continues to run a trade deficit year after year, or if future administrations resort to deficit financing on a large scale.

From Chairman John J. McCloy of Chase Manhattan Bank comes this comment:

"The plain fact is that a balance-of-payments deficit of \$3 to \$4 billion yearly is too much. It increases the claims against the United States at too rapid a rate, and it causes our creditors justifiably to take a close look at how we are managing things."

Mr. President, it seems to me the American people should give heed to this information. I recognize that usually Americans are long suffering and patient about financial matters; but it seems to me the trend in the past 2 or 3 years has pointed in the direction of undermining the financial stability of our country. What kind of challenge do we need? Do we need a financial debacle or upheaval, or some recession or depression, to awaken the American people to a full realization that we must stop this trend whereby we are constantly losing our gold reserves, so that within a year we may have no gold reserves remaining in this country for payment of foreign claims?

Mr. President, only a few weeks ago in the Appropriations Committee hearing with respect to the supplemental appropriation bill and the bill currently before the Senate we heard testimony from the Honorable C. Douglas Dillon, Under Secretary of the Department of State.

I ask unanimous consent at this point to have the questions and answers printed as a part of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATION BILL, 1961—ADDITIONAL SUPPLEMENTAL APPROPRIATIONS, 1961—WEDNESDAY, AUGUST 17, 1960, U.S. SENATE, COMMITTEE ON APPROPRIATIONS, WASHINGTON, D.C.

STATEMENT OF HON. C. DOUGLAS DILLON, UNDER SECRETARY

Chairman HAYDEN. The committee will be in order. This morning we hear the Under Secretary of State and associates on the need for \$1,042,000 to finance the State Department's portion of the President's export expansion program.

Senator DWORSHAK. Mr. Secretary, I recall that 2 years ago our balance of payment was unfavorable to the extent of about \$4 billion.

I think a year ago about almost \$3 billion. What do you anticipate it will be this year?

Mr. DILLON. Two years ago it was about \$3.4 billion. It went up last year to the highest amount, which was \$3.7 billion, nearer \$4 billion.

My own anticipation, personal anticipation, which is about the same as the report of the Committee for National Trade Policy, which makes these reports every 6 months, is that it will probably be in the neighborhood of \$2½ billion at the end of the year.

Senator DWORSHAK. That is still an alarming deficit.

Mr. DILLON. I would agree, yes; it is higher than we can maintain.

It is not as alarming as the other figures. The trend is in the right direction. It has to go lower.

Senator DWORSHAK. You, of course, have been reading in the past few weeks as the rest of us have, that our gold reserves have dwindled to about one-half billion dollars and if the payment of credits held abroad were demanded in gold dollars, we would be virtually bankrupted as far as our gold reserves are concerned. How long are we going to continue to do this without facing a more serious situation which will obviously result in losing the respect and the confidence of our allies?

Mr. DILLON. We certainly are working very hard and have to work harder to improve that situation. That was the basic point of this export program that we are asking your assistance on.

Senator DWORSHAK. I thought that was one of the reasons, but it seems to me you are coming about 2 years too late for this request.

Mr. DILLON. That may be.

Senator DWORSHAK. Have you not had representatives abroad in the last 2 or 3 years that have been acquainted with this downgrade of the U.S. position?

Mr. DILLON. With no increase in funds we have more than doubled the number of officers in the State Department who were working on this type of thing abroad.

The thing that has happened relatively recently to make this a much more profitable opportunity is that it was only during the course of calendar year 1959 and the early part of this year that there were these substantial eliminations of quotas in the discriminations which prevented our goods in large measure from moving abroad.

That opened up the possibility for very substantial activity and beginning last fall we decided this should be our major effort.

Now, we want to present a well-thought-out program to the Congress, not something half baked, and that took a little time.

The export-study groups met. The basic report was completed in February. The President's message went up in March. We are still here for the appropriation.

Senator DWORSHAK. Next month you are going to initiate your meetings at Geneva under GATT supervision. What has GATT done in the last 4 or 5 years to help out the United States?

We have been making concessions which have been virtually a one-way street. If we had been gaining any real advantage comparable to the other countries with whom we have been dealing tradewise, then we would not be in this serious dilemma, would we?

Mr. DILLON. GATT has been very helpful in getting these discriminations removed. At their last session in Tokyo the GATT adopted a very strong resolution saying there was no longer reason, balance-of-payment reasons for maintaining these discriminations and they should be promptly eliminated.

They have been one of the, if not the, major means through which we have had our success in getting these dollar restrictions removed. So they have helped us.

Senator DWORSHAK. They have not been very successful or we would not be minus gold today. I do not think you justify success on these programs when we have been losing out constantly. The record shows we have not been making progress.

Mr. DILLON. I can claim that very easily, Senator. The record shows that during the first 6 months of this year that our exports increased by between \$2½ and \$2 billion over the year before.

Large parts of that were in specific commodities such as cotton when there was a special reason. But in addition there were very large increases in consumer products to Europe and to Japan which were the types of products against which there were discriminations before.

By getting discriminations removed, exports have already begun to move and we hope they will move much more rapidly by a program such as this.

Senator DWORSHAK. I hope that you will reverse the loss of gold which has been plaguing us for a couple of years because we cannot stand much more with only a half billion dollars remaining.

UNFAVORABLE PAYMENT BALANCE

Mr. DWORSHAK. Mr. President, I wish to emphasize that when I called the attention of Under Secretary Dillon to what I consider to be a real menace to our security, he said:

Two years ago (our unfavorable payment balance) was about \$3.4 billion. It went up

last year to the highest amount, which was \$3.7 billion, nearer \$4 billion.

The Secretary said:

My own anticipation, personal anticipation, which is about the same as the report of the Committee for National Trade Policy, which makes these reports every 6 months, is that it will probably be in the neighborhood of \$2½ billion at the end of the year.

Mr. President, we have an official admission by the Under Secretary of State that we have had for several years an unfavorable balance of payments. This comes about not necessarily because we have greater imports than exports, but because we are exporting our gold dollars under the foreign aid program.

We are getting rid of these dollars for programs which could not be justified on the basis of their merit.

It is somewhat encouraging, Mr. President, to know that officials in the Department of State and in the Department of the Treasury are cognizant of these trends. These officials recognize something must be done to reverse the trends, but unfortunately nothing—or very little—has been done during the past 2 or 3 years to correct this situation.

PSYCHOLOGY CREATES HAZARD

Mr. President, I realize the psychological situation we face throughout the world today. We have observed the failure of the summit conference, the uprisings in Latin America and in Asia, and the very serious and tragic situation in Africa. There probably is some justification for the claim which is made by members of the Appropriations Committee that it would cause unnecessary fear and apprehension if we were to make a reduction in the amounts available for foreign aid at this time—that we would discourage our allies and create the erroneous concept that possibly we are backing away from our financial responsibilities.

Mr. President, in this regard I wish to emphasize that if we are to make a success of NATO and of our alliances with the free nations in other sections of the globe, I contend there should be a diminution of the responsibilities placed upon the United States, because we are rapidly dissipating our financial resources. If our allies are in complete agreement with our objective—that we must do something to strengthen the free world—obviously, in view of the fact that their economies have greatly progressed since the end of World War II, we should be able to get a greater degree of participation on the part of those countries.

Mr. President, only recently we authorized the participation of the United States in the Inter-American Development Bank. Within the past few days we authorized the participation by our Government in conferences in Latin America to give assurances that we are willing to obligate the United States for another program—although we already have the Export-Import Bank, the Development Loan Fund under the ICA, and the Inter-American Development Bank—a new program which has been characterized by some of my colleagues as a new Marshall plan for Latin America.

Mr. President, if we are to be realistic we ought to recognize that more harm can be done by assuming responsibilities and financial burdens beyond our capabilities than if we were to try to convince our allies today that we are limited in what we can do in an era when we have many domestic problems to solve at home.

UNITED STATES ASSUMES TOO MANY BURDENS

I believe it is necessary to continue the leadership of the United States among the nations of the free world, but at the same time I contend we should not willingly assume burdens beyond our capacity to fulfill. I think we are moving entirely too fast, and that although we have motivations which are inspired by the friendship we have for free countries everywhere and for the Latin American countries in particular, we should not wait until our gold reserves have been completely dissipated, and then face the very acute and urgent financial situation which inevitably would weaken our capabilities for leadership in the free world.

Mr. President, in conclusion, I wish to emphasize that for several years there has been an agitation on the part of some Members of Congress and of Americans who are alerted to these trends affecting our gold reserves that we ought to have a reappraisal of our foreign aid program. I emphasize that this is not a partisan issue. A Republican executive department and a Democratic legislative branch jointly are responsible for directing programs like this and for expending the billions of dollars required to implement such programs everywhere in the world.

Mr. President, I believe the Senate is not measuring up to its full responsibilities when it does not direct the appropriate committee of the Senate to undertake a full survey and study of the various problems involved in regard to the foreign aid program, and to give consideration also to the new responsibilities which we are willing to assume in Latin America.

CHALLENGE TO ALL AMERICANS

Mr. President, unless the American people realize the serious predicament facing our Nation today, where will the responsibility rest if we have a serious financial crackup in this country within the next few years? I say this is a challenge which every American ought to face, whether he is a Member of Congress or is serving in some other walk of life. It is also a real challenge for our allies, wherever they may be dispersed throughout the globe, for they must realize that if we fail at home in a domestic way, as we face these problems in our financial program, then certainly greater responsibilities will devolve overnight upon our allies.

It would be most tragic if we were to face a situation which would justify the forecasts made many years ago by Soviet leaders, that Russia would not necessarily have to resort to military aggression to subdue the United States, but would merely have to encourage us to follow the path of financial irresponsibility, because by doing so our country would be destroyed sooner than it would

be by becoming embroiled in military warfare.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield 5 minutes to the Senator from Mississippi.

Mr. STENNIS. My remarks on the bill will be brief. I have no extended argument to make. In fact, I have no argument at all to make. However, I do wish to point out that I voted for the authorization of one item contained in the bill which was adopted by the Senate only a few days ago. I refer to page 5 of the present bill, beginning on line 7, marked "Contingencies."

The amendment increased the President's special authority and contingency fund from \$150 million to \$250 million. The chief justification for that item, before the Appropriations Committee had to do with the problem of the Congo in Africa, and particularly the furnishing of funds for the emergency program that is in effect there now. The funds would be used to evacuate those who are victims of assault, unrest, and the semi-civil war that has been going on there in various phases for the past several weeks.

Having voted for the authorization that is now contained in the bill, I emphasize that I favor that part of the appropriation, largely on the ground that it was an emergency and the activities are being carried on through the United Nations.

I do not think we have been presented with any facts or any plan which justify our going into another major phase of the so-called mutual security program or foreign aid program for this area. I do not wish this part of the appropriation bill to be pointed to later as a precedent. For that reason I thought some special remarks representing that point of view on this particular item should be made now.

I am informed that within the last few weeks, following attacks, assaults, and atrocities not fully publicized, more than 9,000 people have been flown out of that area and that many thousands of tons of equipment of various kinds have been brought out with our cargo planes. I am very glad indeed that we have been able to furnish support, and even more than our fair share of the funds to provide that program.

My concern is that many nations which are being created there are becoming independent nations, with all the rights and privileges of sovereignty, and yet at the same time they are unable to support an economy. They are unable to support a government. They are unable to take their places in the field of diplomacy and world affairs. They are unable to carry on or even to preserve order within their own governments.

I do not point out this development to the discredit of those nations, but I point it out as one of the gravest situation in the world. A sound program or policy in that area will require more than mere sympathy. Of course, all of us extend our sympathy.

I have been surprised, in viewing the grave consequences, that since 1950 so many nations have been recognized as

sovereign nations and have been given membership in the United Nations. Certainly I would favor the giving of membership in the United Nations to any nation that is capable of maintaining an economy and a stable government.

In Africa alone, the following nations have gained independence and membership in the United Nations since 1950:

Libya (1951): U.N. Member since 1955.
Sudan (1956): U.N. Member since 1956.
Morocco (1956): U.N. Member since 1956.
Tunisia (1956): U.N. Member since 1956.
Ghana (1957): U.N. Member since 1957.
Guinea (1958): U.N. Member since 1958.

I also have a list of African countries that have gained their independence during the past year or expect to gain it during this calendar year. They are Nigeria, Somalia, Cameroon, Togoland, and, of course, the Congo.

Moving toward independence now are several more. They are Sierra Leone, the Federation of Rhodesia, and another; numerous others have achieved autonomy within the French community.

The point I raise is that, without the proper preparation and showing that such nations can support themselves, or even that they can keep order, we are permitting those nations to be created and then elevating them to positions of power and responsibility, without any measure of the consequences should they fail, and without any plan of proper assistance or support if and when they should fail or need support.

Fortunately we do have a United Nations and we do have a plan that can operate in a crisis. But I believe that we are sowing seeds in that continent that will plague us and haunt us in the future, and will cause the most serious consequences in world affairs.

These problems cannot be solved merely by pouring money into that area of the world, as we may be asked to do. They cannot be solved by merely building transportation systems, other public service units or public service avenues. Those countries cannot be built into nations merely by spending great sums of money for material or internal improvements.

To be able to live in the family of nations they must know something of the lessons of austerity, personal sacrifice, and self-government. I believe we are rushing by a great number of red lights—ignoring the warning of history. Instead of improving the circumstances of people in that area and strengthening the position of the West in world affairs, we are going so fast, without heeding the warnings of history, that we might create far more problems than we have a chance to solve.

These problems will not go away. They will continue, and instead of becoming less they will multiply and fester, unless we solve the basic problems.

I hope we will be able to formulate plans and thinking in advance, before we take a part in creating these new nations and giving them responsibilities which they cannot carry, and admit them as full-fledged nations in the fam-

ily of nations, before they can carry their burdens.

I am entirely willing, when they show their capacity and their economy and their strength, to have them take their places in world affairs. It is very distinctly my impression that they are traveling in the opposite direction.

I do not know what study is being made by the Department of State or by the Western World or by the United Nations. Certainly someone has been asleep at the switch, and did not anticipate the natural reaction of a great many of these people. The conditions have been growing not only steadily worse but rapidly worse. I hope that the small amount which is contained in the bill will be sufficient to meet some of the emergencies. I hope it will not be interpreted as the forerunner or the initial payment or the beginning of a vast economic program of so-called relief, which I do not believe will have a chance to do any good until some of these fundamental questions have been solved.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks an article entitled "Eight African States Backed for U.N.," written by Lindsey Parrott and published in the New York Times of Wednesday, August 24, 1960.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EIGHT AFRICAN STATES BACKED FOR U.N.—SECURITY COUNCIL FAVORS THEM WITHOUT OPPOSITION—ASSEMBLY WILL ACT

(By Lindsey Parrott)

UNITED NATIONS, N.Y., August 23.—The Security Council voted today to admit eight new African states to membership in the United Nations.

The 11-nation body did so without opposition. The new countries, all of them former French colonies in central and north-west Africa, will be seated in the world organization after the General Assembly approves them, probably in September or October.

The Council acted after Armand Bérard of France had taken the members through a personally conducted tour of the new territories.

Generally, he pictured them as peace-loving states that could support themselves with natural resources ranging from diamonds to coffee and that were able and willing to fulfill their duties under the United Nations Charter.

UNDUE AID NOT EXPECTED

The French representative stressed that the new countries could support themselves without seeking emergency aid from the United Nations or elsewhere.

Many smaller states admitted to the United Nations or seeking to be admitted, will need some form of immediate economic help.

Generally, the French Ambassador drew a picture of the new African countries as little states that had been slowly brought from tribal rule to domestic autonomy and independence.

They had adopted such modern appurtenances, he said, as woman suffrage and the right to strike and had acquired roads, railroads, airstrips, hydroelectric power, and new breeds of crops and livestock.

ADMISSION ASSURED

No question existed here tonight that the new members of the French community

would be granted admission to the United Nations. Just how the new members would vote or where they would fall in line, however, seemed to be another matter.

The admission by the Assembly of the newly proposed 8 states will raise the membership of the United Nations to 96. The Council already has recommended Cameroon, Togo, Mali, Malagasi, Somalia, and the Congo (formerly Belgian).

The states approved today were Dahomey, Chad, Niger, Upper Volta, Ivory Coast, the Congo Republic, Cabon, and the Central African Republic.

M. Bérard, told the Council the total area of these states covered at least a seventh of the total area of Africa. All, he asserted, are "truly democratic" as a result of efforts by France to educate native leaders.

Only three members of the new states listened to M. Bérard endorse them. Others still were in Africa or in Paris discussing their future roles in the French community that has supplanted the former African empire.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HAYDEN. I yield 1 more minute to the Senator from Mississippi.

Mr. GRUENING. I find myself in full accord with the sentiments expressed by the Senator from Mississippi. I ask him whether he does not think, in view of the increased urgency with which we are asked by this Administration to appropriate money for foreign aid that Congress has not exercised the responsibility which it has, namely, to inspect the programs before approval of the appropriations and to collaborate with the executive department in checking the programs, in the same way that we do with respect to domestic programs.

If the Forest Service wished to build a cabin in Mississippi, the Senator knows that that project would have to run the gamut of authorization and appropriation by the appropriate committees of both the House and the Senate, before it would be approved by both Houses of Congress. There is no such control in connection with appropriations for foreign projects.

I should like to ask the Senator whether he does not believe the time has come when Congress should exercise greater control with respect to these foreign aid expenditures than it has in the past.

Mr. STENNIS. The Senator is correct. The Senator from Mississippi made that point before the Committee on Appropriations, that there is a lack of surveillance in the executive branch of the government and also in the legislative branch of the government. It is something that we fail to carry out.

Mr. GRUENING. I hope the Senator will continue to press for such action.

Mr. STENNIS. I thank the Senator.

Mr. HAYDEN. Mr. President, I yield 1 additional minute to the Senator from Mississippi.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. ROBERTSON. I commend our distinguished colleague from Mississippi for the statement he has made on the problems which face us, especially in

Africa, as these new nations are suddenly brought into being and made members of the General Assembly of the United Nations, with an equal vote in the Assembly, and as those votes affect our destiny and the destiny of the world.

Certainly I shared his belief when I voted with him the other day to authorize \$100 million of contingency money, providing that not one dollar of it will go directly into the Congo, but is to be at the disposal of the President.

The Senator will recall that when the Senator from Arkansas [Mr. FULBRIGHT] presented the bill, he made it very clear that it was not a specific appropriation for the Congo, but was to meet what could develop into a very serious international problem unless the United Nations was willing to cooperate. I associate myself with the splendid statement of the Senator from Mississippi.

Mr. STENNIS. I thank the Senator.

VISIT TO THE SENATE BY VIETNAMESE PARLIAMENTARIANS

Mr. AIKEN. Mr. President, I ask unanimous consent that the Senator from Montana may be permitted to present to the Senate our distinguished visitors from Vietnam, without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, it is my privilege to present to the Senate a most distinguished group of parliamentarians. They come from a republic which a few years ago did not exist. They are representatives of a people with a long and brilliant history but who were, I regret to say, little known to us scarcely a decade ago.

That has changed, Mr. President. Within the past few years, the Republic of Vietnam has not only come into existence as a free nation but its progress as a free nation has caught the attention of the world and won for it a widespread and most deserved admiration.

The people of Vietnam are known to us now as friends and associates in the common cause of freedom. Through the mutual security program we have contributed to their efforts to build a strong and responsible nation. It has been a helpful association over the years and the people of Vietnam, under their outstanding President, Mr. Ngo Dien Diem, have achieved a great deal in the realm of defense, economic stability and the growth of responsible political institutions.

Having had the good fortune to be an early American observer of the founding of this new nation, having watched its rapid growth with great interest through the years, I take special pleasure in presenting to the Senate at this time these distinguished members of its parliament, these most welcome guests.

The leader of the delegation is Mr. Truong Vinh Le. He is a member of the Personalist Community, and president of the National Assembly of Vietnam. His office is the equivalent of our Speaker of the House and President pro tempore of the Senate.

Mrs. Nguyen Thi Xuan Lan, a member of the Foreign Affairs Committee. I understand that her name means Spring Orchid.

Mrs. Phan Thi Nguyet Minh is a member of the Foreign Affairs Committee. I understand that her name means Moon Light.

Mr. Co Van Hai, Chairman of the Agriculture Committee of the National Assembly, President of the Socialist Alliance, and Secretary General of the Vietnam Socialist Party.

Mr. Pham Duy Lan, Deputy Secretary General of the National Assembly and First Vice President of the Socialist Alliance. He is also a member of the Constitutional Committee.

Dr. Tran Sy Don is a member of the Cultural, Educational, and Youth Committee of the National Assembly, and is a former Chairman of the Defense Committee.

Mr. President, I want our guests to know that we are highly honored and deeply privileged to have this opportunity to greet them as colleagues.

[Applause, Senators rising.]

Mr. AIKEN. Mr. President, as a member of the minority party of the Senate, I wish to join our majority colleague, Senator MANSFIELD, in extending greetings to our distinguished visitors from Vietnam. We are very glad that they can be with us today, and we are very proud of our cooperation with that great country.

It is significant that this young nation of Vietnam should be represented here today by young people. We hope that as they grow older their nation will also grow stronger and more prosperous. The Senator from Montana has made reference to his visit with President Ngo Dien Diem. I had the privilege of accompanying the Senator from Montana on that visit to the President of Vietnam, about 2 years ago. I was very much impressed with what was being done to strengthen and improve the economy of the country of Vietnam.

It gives me great pleasure to join in welcoming these representatives of Vietnam today.

Mr. HUMPHREY. Mr. President, I join with the distinguished Senator from Montana [Mr. MANSFIELD] and the distinguished Senator from Vermont [Mr. AIKEN] in expressing a very warm and cordial welcome to these fine, distinguished representatives of the free country of Vietnam. It is reassuring to us to have them here. It brings a note of happiness and joy to realize that the representatives of this fine free country in Southeast Asia should be with us in the Chamber of the U.S. Senate today.

I feel that the comments which have been made about the purpose and the vitality of this nation, the youthfulness of its spirit, and its most recent experience in self-government, as well, are expressions which are well taken. There is no doubt in my mind that in Vietnam we have one of the staunch allies in the cause of freedom. We surely want to welcome to the United States the representatives of the parliamentary structure of a free government in a free country.

Mr. DODD. Mr. President, I wish to join with the able acting majority leader and other Senators in welcoming this distinguished delegation from Vietnam.

It is a genuine personal pleasure for me, because to my very pleasant surprise I discovered an old friend, Mrs. Phan Thi Nguyet Minh, or Pauline Tho, as she is known to her friends, who is a member of this delegation and is a member of the National Assembly of Vietnam. Pauline Tho lived among us in my State of Connecticut, where she was a student at Yale with her wonderful husband.

Pauline Tho is a great woman and a dear friend and a real fighter for freedom.

It is good to have these grand people with us. They are our friends. They are building a splendid country.

Again I say that I am happy to join with all the Senators in extending to them a most hearty welcome.

Mr. SPARKMAN. Mr. President, during this brief interlude, I should like to join with other Senators in expressing a welcome to these distinguished visitors from the national legislative body of Vietnam.

As has been so well said, free Vietnam represents one of the most recent experiences in free government. We all know how well the people of Vietnam have discharged the responsibilities of free government.

There is something else for us to keep in mind as these distinguished parliamentarians are among us today, and that is that free Vietnam constitutes, one might say, the keystone in the structure of southeast Asia, an area which has been so greatly threatened by the onrush of communism over the past years. We know how well the Vietnamese have built their Government against the threat of communism. They have built institutions of government. They have reestablished and built their economy. They have taken care of a million refugees escaping from the Communist system of government in North Vietnam. How well they have done all that, we know. What a wonderful testimonial it is to that free government that they are holding a responsible, bulwark position in southeast Asia.

It is a great day for us to have this delegation visit us. I believe it is the first parliamentary delegation which has come to visit us from this great little nation. I join with all other Senators in extending to them a hearty welcome.

MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATIONS, 1961

The Senate resumed the consideration of the bill (H.R. 12619) making appropriations for Mutual Security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

Mr. HUMPHREY. Mr. President, would the distinguished Senator from Vermont be willing to yield to me 15 minutes on the bill?

Mr. AIKEN. I yield up to 15 minutes to the distinguished Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator from Vermont.

Mr. President, I commend the Committee on Appropriations and its chairman, the distinguished senior Senator from Arizona [Mr. HAYDEN], for their judicious and statesmanlike consideration of the mutual security bill. The committee has done the Nation a great service by restoring a substantial percentage of the nonmilitary cuts made by the House. The headlines of the last several weeks underscore all the more severely the necessity of a substantial mutual security program.

Mr. President, I shall comment briefly on some specific items in the committee report.

The Mutual Security Authorization Act provides authority for the use of \$10,000 for a study on the advisability and practicality of a point 4 youth corps. The House prohibited the use of any funds for this purpose, but the committee has very wisely deleted the House prohibition.

The point 4 youth corps is along the lines of my own peace corps bill, and I am a vigorous supporter of the study which the committee report calls for. The plan envisions the use of some of our most skilled and dedicated young people to serve overseas, as an alternative to the draft, on development projects. This would be a people-to-people program in the finest sense of the word, and it deserves serious study. I hope that our conferees will insist on the Senate Appropriations Committee action on this matter.

THE AMERICAN RESEARCH HOSPITAL FOR CHILDREN IN POLAND

I turn to page 7 of Senate Report No. 1849. I commend the members of the Committee on Appropriations for the excellent statement which they have presented there.

Not only did they wisely recommend \$1.5 million to be used to purchase foreign currencies for the proposed American research hospital for children in Poland, but they recommended that "\$100,000 of the foreign currencies be made available for an immediate start on engineering and preparatory work and that the remaining \$1,400,000 should be made available to the project during the fiscal year 1961 under an agreement between the International Cooperation Administration and the Committee for the American Research Hospital for Children in Poland."

Mr. President, I have long been interested in this hospital as a demonstration of the true meaning and true purpose of the United States in its foreign policy. I have sometimes reminded Senators that when the Russians occupied Poland, they set up, as a reminder of their occupation, a grotesque, ugly statue of Josef Stalin, which is to be found in Warsaw.

We Americans are contemplating the establishment of a splendid research hospital for children's diseases at the University of Krakow, in Krakow, Poland. Krakow is one of the great universities of Europe.

I believe these two tangible symbols of the respective countries indicate the difference between totalitarianism and freedom. The totalitarian from Moscow

placed in Warsaw an ugly statue of Joseph Stalin. The freedom-loving heart of the United States of America makes available to the people of Europe, of the world, and, in particular, of the children of Poland, a wonderful medical research establishment at one of the great cultural institutions of the world, the University of Krakow.

"GREEN LIGHT" NEEDED

This is a most welcome "green light" for this great project.

Full speed ahead is necessary, because only thereby can we be assured of the hospital's availability in time for the celebration of the 600th anniversary of the University of Krakow in 1964.

The hospital in Krakow will be a great asset to the children of the world, not just the war-ravaged children of heroic Poland, but children of all lands who will benefit from its research.

And so, it is my earnest hope that the Senate-House conference committee in its report will reiterate the language of Senate Report No. 1849. To do less would, I believe, be really to weaken the purposes and the objectives of American policy.

BACKGROUND OF THE ZABLOCKI-HUMPHREY AMENDMENT

I may say that it has been my privilege since the inception of this concept to help advance it.

It will be recalled that this hospital is to be constructed under what has come to be known as the Zablocki-Humphrey amendment to the mutual security law of 1959.

Under that amendment and subsequent appropriations a sum of up to \$10 million in foreign currencies was authorized to be made available for assistance for American-sponsored hospitals abroad, with \$50,000 equivalent having been made available for planning purposes for this specific center.

Thus we turn the surplus of our agriculture into medical research, into university training, into public health for people all over the world. We have sold it to Poland for Polish currency, and a small portion of that currency now is being made available for a great hospital in that country.

PLAQUE TODAY FROM PULASKI FOUNDATION

On this very day it is my pleasure to receive from the Pulaski Foundation a plaque for this effort—an honor which has already been well conferred upon my able colleague of the House Committee on Foreign Affairs, Representative CLEMENT ZABLOCKI.

I wish to congratulate the members of the Appropriations Committee, and particularly the distinguished senior Senator from Louisiana [Mr. ELLENDER], for his interest in this hospital. Let me also express my gratitude for the support which has been given the project by my colleague on the Subcommittee on Reorganization of International Organizations, the distinguished Senator from Maine [Mr. MUSKIE], who at this time occupies the chair and is presiding over the Senate.

I acknowledge our sincere appreciation of the very valuable contributions made by these distinguished Senators and by many others.

I particularly want to commend the Appropriations Committee for granting the full \$700 million request for the Development Loan Fund, which is \$150,000 over the House amount. The Development Loan Fund, as all of us know, is to provide capital for long-term economic growth in the less-developed countries. The reasons for granting the full amount requested are even more pressing now than they were when the budget estimate was drawn up.

Further congratulations are due to the members of the committee for reporting the full requests of \$12 million for the United Nations Children's Fund, for the United Nations Expanded Program of Technical Assistance, for recommending \$2.5 million for the American University at Beirut, Lebanon, and for deleting some of the restrictions put in by the House of Representatives.

In some instances, I do not think the committee went far enough. Referring now to pages 17 and 18 of Senate Report 1849, I regret that the committee cut \$12.5 million from the Special Assistance Fund, \$3.3 million from the Intergovernmental Committee for European Migration, \$200,000 from the program of the United Nations High Commissioner for Refugees, \$150,000 from the escapee program, \$2 million from the United Nations Relief and Works Agency, \$600,000 from the NATO science program, \$1.9 million from the atoms for peace program, and \$25 million from the President's special authority and contingency fund.

All these are urgently needed, vital, necessary programs; and I remind my colleagues that the next administration, whether it be Democratic or Republican, will have to start its operations with the funds that we appropriate here today. Furthermore, we have no way of knowing how much greater the needs may be 6 months from now.

I am aware that some of my colleagues would like to get out of the so-called aid business; but, realistically speaking, that is not possible. Furthermore, I suggest that we stop talking about foreign aid, and start talking about mutual security, for that is just what this program is.

We are concerned here with matters relating to our own best interest; and we are not talking primarily about aid to foreigners. We are considering the matter of security for ourselves; not giving money away, but gaining the defensive strength necessary for the preservation of peace; not offering one-way help, but the mutual efforts of free nations to promote economic progress, to further their joint welfare and to win the worldwide war against disease, famine, poverty, ignorance, and unemployment.

Before concluding, Mr. President, I want to urge that the next administration give more thought to long-term planning. We know that within the administration, the influence of the Bureau of the Budget in determining foreign policy through budgetary control is proportionate to the relative strengths of the Treasury Department and the Department of State, and that during the present administration the strength of the Treasury Department has increased

steadily to a position of acknowledged dominance. The end result is that the sum made available for mutual security is determined more on the basis of what is estimated will be available than on what is known to be needed.

In view of the importance of the program, this can well be viewed as too haphazard a procedure. The business of mutual security is important enough to justify a businesslike approach to it, and this means, first of all, a careful scrutiny of the cost factor on a long-term basis.

This can be determined only by a series of thorough, competent economic and technical feasibility surveys, the aim of which is to assess the totality of what is needed by our partner nations in financial, commodity, and technical assistance. The United Nations Special Fund can be of help in better planning.

A promising, though admittedly all too small, start has recently been made in this direction in the form of a survey of India and Pakistan, initiated at the suggestion of the Congress, and completed in the early months of this year.

Assisted by a staff of trained economists, a review was made of the present and proposed 5-year plans of India and Pakistan, evaluating them from the standpoint of the realism of their proposed goals, the accuracy of their figures, the reasonableness of the share of the economy devoted to military needs, the relationship of past economic performance to the possibility of realizing projected future growth, and the magnitude of the margin of safety proposed as a protection against droughts or floods which might jeopardize national food production. They predicted what was required by way of investment to produce a projected rate of growth; they listed available domestic resources, and calculated the amount of external financing required to achieve the desired rate of economic growth.

Many nations have announced 5-year plans for economic development. As with India and Pakistan, some of them reflect a high degree of economic maturity, but others represent little better than educated guesses or the sum total of things hoped for. It would be a mistake to take all of them at face value.

Consequently, the excellent, though belated, start made in the Indo-Pakistan international survey needs to be followed up with the remaining nations. We in the free world must have a complete and careful analysis of the expected costs of the job to be done if there is to be any reasonable answer to the problems arising from the revolution of rising expectations now sweeping the hitherto underdeveloped world.

Surveys as to cost factors must be followed by intelligent planning as to the most effective use of the available domestic and external resources, planning which requires full understanding between the nations being assisted and those doing the assisting.

Furthermore, Mr. President, we must plan in conjunction with our allies. I hope that one of the changes in the next few years will be that of multilateral development projects. It is highly important that we encourage our

more wealthy friends to contribute much more toward the emerging areas, and, also, that we encourage economic confederations of new nations, when such confederations make economic sense.

I conclude by again emphasizing the need for more long-term planning, and the necessity of the multilateral approach to technical assistance and economic aid in the coming years.

FARM CREDIT

Mr. HUMPHREY. Mr. President, one of the pressing needs of modern-day agriculture is the expansion and improvement of the farm-credit facilities. The next Congress should place at the top of the legislative priority list emergency credit assistance or a complete review and modernization of the farm credit structure.

The urgency of this matter has been pointed out in a recent letter that I received from Mr. Ed Christianson, president of the Minnesota Farmers Union. I ask unanimous consent that this letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MINNESOTA FARMERS UNION,
St. Paul, Minn., August 16, 1960.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: The provision of emergency credit assistance to tide farmers over until next year should be included in any farm action taken by the Congress.

The most recent report of U.S. Department of Commerce Survey of Current Business reports that total farm debt in 1959 was \$11.4 billion for operating credit and \$12.4 billion for farm real estate loans, a total of \$23.8 billion.

This is some \$400 million greater than the debt load a year earlier and constitutes an all-time high.

The 1959 figures compare with a total farm mortgage debt of \$7.2 billion in 1952 and farm operating loans of \$8 billion. In each instance, the farm debt load has increased more than 50 percent in the past 7 years.

The rapid increase in farm debt in recent years shows the extent to which farmers have gone into debt to stay in business.

Credit is being substituted for farm purchasing power to an alarming degree, a situation which will surely lead to disaster if there is not an early improvement in the farm price and income picture.

Therefore, provision for adequate credit at reasonable rates is an essential part of any program to bring about recovery in agriculture. This would help tide farmers over until a new administration and a new Congress can act early next year to improve farm prices and income.

There is before the Senate a House bill, H.R. 11761, which consolidates various farm credit laws. It might be fruitful if you would examine the possibility of amending this bill in the Senate to provide some emergency credit provisions. This would be economic emergency rather than natural disaster emergency loans.

Some of the points we have in mind are a directive to FHA to make available to any farmer, loans for production purposes, if the farmer cannot obtain such loans elsewhere at 5 percent interest or less.

Provide for spreading of repayment period on loans over 2 or 3 years for 1961 production loan and for present loans needing to be refinanced.

Provide for unsecured emergency production loans—3 percent—through FHA when the farm plant has the potential, but is already loaded with mortgage debt.

Provide for a debt adjustment program under FHA, making it possible for a farmer to consolidate his debt under a single payment program.

Provide ample funds for FHA to service this "economic emergency."

I believe the real crisis this fall will be the need for farmers to consolidate their debt, at reasonable interest rates, so that they can pay it off over a longer period of time.

I will be seeing you at Des Moines on Sunday.

Personal regards,

EDWIN CHRISTIANSON,
President.

CULTURAL EXCHANGE

Mr. HUMPHREY. Mr. President, Blanche Thebom, the great operatic singer, has written for the New York Times one of the most intelligent discussions of our cultural exchange program that I have read. I wish to quote one brief passage:

The program has cost the Government little more than \$2 million a year and has given value in helping keep the peace far more effectively than, say, an atomic submarine costing many times more. Nevertheless, it is not the kind of coordinated intelligence and long-range planning that is needed.

Mr. President, I ask unanimous consent that the article entitled "Improving Cultural Exchange," published in the New York Times of June 26, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IMPROVING CULTURAL EXCHANGE

(By Blanche Thebom)

The State Department's cultural exchange program is of great importance, being able at the least, to counterbalance negative attitudes to us, and at the most, to create positive ones. But like most things that grow, not from farseeing plans, but in response to the pressures of the moment, it has some imperfections and has not always realized its full potential.

What are these imperfections and how can they be remedied? The answer lies in the matter of budget and in the matter of our press. The ANTA part of the program has for the last 5 years cost the Government little more than \$2 million a year, and has given value in helping keep the peace far more effectively than, say, an atomic submarine costing many times more. Nevertheless, it is not a budget that allows the kind of coordinated intelligence and long-range planning that is needed.

CRITICISM

I have heard criticism in the "field" about ANTA's planning, saying that the ticket prices are too high for the man in the street, who is the one we want to reach; that the majority of the attractions perform only in the capitals and larger cities, and that the individual artists or groups have too little time to spend informally in the important person-to-person contacts that are equal in value to the actual performances.

All these shortcomings are well known to the officials of ANTA, who are aware of the crippling handicaps of the unrealistic budget with which they must operate on a world-wide scale.

Tickets to Soviet touring good will attractions can be given to labor unions, to students, or to whatever other groups seem

strategically important to the Soviet Ministry of Culture at a given moment and place, because its budget is unlimited. But when American attractions tour, their fees must be defrayed, at least in part, through the sale of tickets by the local impresario who presents them, and in many cases he must even raise his customary price scale.

Let us now briefly consider the other area that could enhance its effectiveness, the press. To the more sensationally oriented segment of our press, the quiet and efficient functioning of the American artists under the ANTA program throughout the world does not constitute news. The fact that I had been robbed in Taipei, Taiwan, during 1959 appearances in the Far East was carried in detail in every paper in this country. But very little appeared anywhere about the actual concerts or the popular reaction to them.

How much more valuable it would have been for our people to have been informed of those aspects of good will tours—of barriers broken down, of broken lines of contact mended, of warmth and respect created where only distrust and disregard existed before.

On my recent Rumanian trip I was invited to visit the Ministry of Fine Arts and Culture to discuss the possibilities and advisability of beginning a cultural exchange program with us.

It was embarrassing to have to admit that because we do not have a Department of Fine Arts, certain things possible for them are impossible for us. Since the U.S. Government does not pay the bill for the opera companies existing in this country, it is impossible to notify any of them that they must furnish a certain exchange artist with a specified number of performances of a particular role within a prescribed time.

INDIVIDUAL WILLINGNESS

Similarly, we have no control over orchestra soloists and must depend on the willingness and enterprise of our individual managers to engage these foreign artists and to secure representative performances for them. I can understand that such a way of doing things must seem a willy-nilly business to people from organized countries such as those in the Soviet bloc.

In the light of what I have learned during these years, I wish I had a magic lamp to grant me certain wishes. I would wish for the establishment of a Department of Fine Arts in our Government. I would wish for a realistic and long-range budget to expand the effectiveness of our cultural program abroad. Lastly, I would wish for a greater understanding from our press of its responsibility to inform Americans generally of our Nation's cultural achievements.

Mr. HUMPHREY. Mr. President, I thank the Senator from Vermont for his courtesy in yielding this time to me.

MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATIONS, 1961

The Senate resumed the consideration of the bill (H.R. 12619) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

Mr. LAUSCHE. Mr. President—

Mr. COOPER. I yield 5 minutes to the Senator from Ohio [Mr. LAUSCHE].

The PRESIDING OFFICER. The Senator from Ohio is recognized for 5 minutes.

Mr. LAUSCHE. Mr. President, this afternoon, Senators have debated at various times the \$100 million increase in the President's contingency fund in-

tended to be used with the United Nations in dealing with the Congo problem. I concur in the expressed view that this increase should not be interpreted as the establishment of a definite policy that we intend to continue this type of grant in seeking the solution of the many problems which may arise in Africa. I cannot subscribe to any yielding by our country to Lumumba, after his threats to the effect that if our country did not conform to his wishes, he would turn to an alliance with Soviet Russia. I think it would be dishonorable and contrary to good policy for us to yield to any intimidation attempts of that type. But that is what he said. If the \$100 million increase in the President's contingency fund were interpreted as being the congressional response to that threat—in other words, if other nations believed that, following that threat, we hastened to provide from our Treasury the \$100 million in an attempt to solve the problem within the Congo—certainly we would merely be giving encouragement to other nations to make such threats when similar conditions existed. Such a threat was made by Castro.

I believe the time has come when, in self-defense and in the interest of the preservation of our own honor, we cannot take action of this sort under such shotgun circumstances.

Seventeen nations are coming into existence in Africa. When this subject was discussed in the Foreign Relations Committee, I stated that in my opinion we should review the future prospects. I do not think we should approach these problems on an ad hoc, separate basis, and thus attempt to deal with each problem as it is presented to us.

How many similar situations are likely to arise in Africa? How many new nations have been created where the portents are that the people are not ripe for independence and that, by the creation of those independent nations, we create circumstances under which a vacuum is likely to occur?

It was for that reason that I suggested to the Foreign Relations Committee we ought to make a study of the prospective problems that will arise in Africa. Then, on the basis of an appraisal of all that is in prospect, we should formulate a long-range program.

The Senator from Minnesota made mention of that need, and I think it is indispensable. We cannot be running all over Africa under circumstances such as exist in the Congo, and try to deal with it solely on an ad hoc basis, a separate basis, without considering the entire context of problems that will confront us.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. HUMPHREY. I wanted the Senator to yield only for one purpose. I merely wish to say I fully subscribe to the general thought the Senator from Ohio is expressing. I happen to believe we are constantly rushing to the Treasury to find ways and means of trying to correct matters that are not going to be

properly corrected just by another check or another cash contribution. The necessity for long-term, carefully designed plans cannot be overestimated; and I believe this is true not only in Africa, but, may I say, in Latin America. I am going to be very watchful when the appropriation comes up on the Latin American authorization, because there is not enough money in the United States of America to take care of the needs of all the people in the world, and, surely, the only way that money can be used properly is by careful and prudent planning and with the comprehensive thought that is required.

Mr. LAUSCHE. I now want to devote a brief period to the psychology of the practice which has rather widely developed of individual countries saying to our country, "You will bow to our wishes, or we will go to the Communists for an alliance." I submit that, psychologically, we cannot allow the world to believe that such efforts will precipitate us into obedience of the demands made upon our country.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. May I have 5 more minutes?

Mr. COOPER. I yield 5 minutes to the distinguished Senator from Ohio.

Mr. LAUSCHE. If an individual comes to me and, legitimately, says, "I am your friend. I have been your friend. I need help. Please give it to me," that is one thing. But if an individual comes to me and says, "I have to decide whether I am going to be your friend or the friend of X. X is your enemy. I am going to X unless you give me this help," I would have doubt about the intellectual and moral integrity of anyone who made a request of me in that way.

I need not remind the President that those situations are arising entirely too frequently. I have practically reached the state of mind that, when a situation of that type arises, I feel it would be better, at the very beginning, to say, "Under the gun, I will do nothing. Go wherever you please."

I should like to direct my attention for a moment to South America. The argument was made on the floor of the Senate, and it has been rather generally repeated, that we have done nothing for South America. Last Wednesday I placed in the RECORD a tabulation of figures which showed that under the mutual security program, under the program authorized by Public Law 480, under the export-import long-term loan program, and under miscellaneous U.S. economic programs, we have provided for the nations of South America \$3,971 million since 1946.

In addition to that amount, the World Bank has loaned to South American nations \$1 billion. We are participants, in the amount of 32 percent, in the capital structure of the World Bank.

I am not arguing that we have dealt adequately with South America on the basis of the mutual security program, but it ought to be made clear to the South Americans that we have provided practically \$4 billion of aid.

It has been suggested that \$600 million be made available for the South American program. I have no quarrel with it, except that we ought to make certain that any major part of the money will be loaned rather than given. We have sadly learned that gifts do not bring friendship. Frequently, when those gifts are discontinued, they bring antipathy to the benefactor, rather than friendship.

One further thought as to whether we should continue giving financial aid to countries with Communist governments. The Senator from Minnesota, a moment ago, made a statement with respect to aid we will give to Poland. On that score, I think we ought to take a look at this proposition: Aid to people within nations having unwanted Communist governments should be distinguished from aid for the perpetuation of those governments themselves. I could not help feeling distressed and aggrieved when I read in the paper of the development in the United Nations when the question came up about having an impartial investigation of the plane incident in the northerly part of the Soviet, in which our Government asserted that Soviet planes had forced our plane over Soviet territory and then brought it down.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. Will the Senator yield me 3 more minutes?

Mr. COOPER. I yield 3 more minutes to the Senator from Ohio.

Mr. LAUSCHE. The Polish representative at the United Nations voted against our Government and with the Soviets. I have no doubt that many citizens, when they read about that account, said to themselves, "We are giving financial aid to the Polish Government, yet its representative votes against us in the United Nations on a subject which is of great significance."

Were the Soviets telling the truth? Was the United States telling the truth? The limited investigation disclosed that we were in the right and the Soviets were in the wrong, but when the time came to authorize an impartial investigation the Polish representative turned his back on the United States in favor of Communist Russia.

We have given about \$1½ billion worth of aid to Yugoslavia.

From my standpoint, Mr. President, I am prepared to give aid to the Polish people. The Polish people are freedom-loving people. They believe in the Lord. They do not believe in atheistic communism. They wish to be on our side. When we give aid to Poland, I am in favor of it upon the basis that the aid will go to the Polish people and not to the Polish Government. My belief is that the Polish people understand the aid, and they know we are not giving it to perpetuate Gomulka and his philosophy.

In conclusion, Mr. President, I favor the bill, but I think the Committee on Foreign Relations will have to take a look at the entire African problem. We must take a severe and careful look at this program of aiding the Communist countries.

I thank the Senator from Kentucky very much for granting me this time.

Mr. COOPER. Mr. President, I yield 10 minutes to the senior Senator from New York [Mr. JAVITS].

The PRESIDING OFFICER. The Senator from New York is recognized for 10 minutes.

INVESTMENT INCENTIVE FUND PROGRAM

Mr. JAVITS. Mr. President, I wish to address myself to two matters with respect to the pending bill. First, I wish to discuss what is called the investment incentive fund program.

Mr. President, this program would set up an agency of the ICA engaged in stimulating, encouraging, and finding opportunities for private investment in the less developed areas of the free world which we are aiding under our program. I have been constantly connected with the development of this idea and its expansion, because it is one of the most constructive and effective ways by which we can help the less developed areas. It represents permanent participation in their economies in a very constructive way in most cases, as well as an opportunity for training of the people, who can then develop their own economies based upon this example.

In addition, this program represents an opportunity for our friends to observe how, in our country, private enterprise contributes to the general welfare. It is, therefore, an object lesson in what we consider in this country to be a very important element of our freedom. That does not mean every country's social system has to follow ours or that private enterprise is the only way in which things can be done, but it means insofar as we can we shall not only help but we shall try to teach as well, in terms of the techniques which have been highly developed in this country.

It was therefore with very great distress, Mr. President, that I noticed the House of Representatives had put language in the bill stating that "None of the funds herein appropriated shall be used to finance any of the activities under the investment incentive fund program."

Let us remember that we cannot possibly give enough aid in terms of public funds to bring along less developed areas to the satisfactory stage of development at which they will be induced to feel that their best bet for the future is with the free world. In order to do this we must have private investment.

For example, our whole economic aid program is about \$2 billion a year. The net private investment of the United States now—and it should be materially increased—is \$3¾ billion a year. This is magnified all over the world. There must be encouragement of private enterprise in terms of overseas private investment. That includes the foundations, the nonprofit organizations, the colleges, the universities, and the religious organizations. All of this is absolutely indispensable.

Indeed, public investment is only the prelude, the way in which facilities are created. This is the climate. There are roads, ports, and sanitation facilities developed in order to attract private investment.

I was very glad to observe, and I compliment the committee upon, the fact that the committee has stricken out the restriction, which I think was very much against our interests. Now the bill will go to conference. I hope very much the Senate committee will stand by its guns and will not yield on this proposition of a very small sum—\$2 million, which is actually involved, though not recited in the bill—for the investment incentive fund program.

Mr. President, to bear out the efficacy of this program and to give some examples as to exactly what the program would do, in the specific countries it would reach, I ask unanimous consent to have a memorandum which I have prepared on that score, referring to activities in Thailand, Taiwan, India, and Ecuador, printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

INVESTMENT INCENTIVE PROGRAM

THE HOUSE BILL

Section 110 of the House bill provides that "none of the funds herein appropriated shall be used to finance any of the activities under the investment incentive fund program."

EXECUTIVE BRANCH POSITION

The executive branch opposes the House provision.

Within the appropriation requested for special assistance, the sum of \$2 million has been planned for the investment incentive program. This program is designed to stimulate local private enterprise in underdeveloped areas and to encourage private investment, domestic and foreign, in those areas. It consists of furnishing expert advice, surveys, and the like, not of providing capital for investment. It is conducted on a selective basis in particular countries or for specific projects where such assistance can be most effective. The program includes such activities as:

1. Advisory assistance in the establishment and operation of development banks which specialize in providing loan capital to new and expanding local private enterprise, especially small business to which international capital cannot readily be attracted.

2. Conducting surveys to assist interested countries in attracting private investment by identifying obstacles to such investment which can be removed, ascertaining the most promising fields for investment, and in some instances doing the more detailed technical and economic analyses necessary to show preliminarily the feasibility of investment in a particular field or industry, such as chemicals or aluminum.

3. Assisting in the establishment of investment centers to which local entrepreneurs can turn for expert technical help in planning and developing new or expanded business projects to the point where they are economically sound and can attract equity and loan capital.

A list of some of the activities undertaken under this program during the year is attached.

The investment incentive program is a direct outgrowth of the so-called Straus study conducted in 1958 pursuant to the specific directive of Congress enacted in section 413(c) of the Mutual Security Act. It is one of the means by which effect is given to the congressional declaration of policy in section 413 of the Mutual Security Act, headed "Encouragement of Free Enterprise and Private Participation."

Activities of the type covered by the investment incentive program have been con-

ducted as part of the regular country programs of assistance from the earliest days of mutual security. The program itself, initiated a year ago, involves setting aside a sum, outside the amounts programed as part of the regular country programs, to be used to expand and reinforce such activities.

Section 110 of the House bill would, as the executive branch construes it, preclude the use of this special program technique as a means of expanding and emphasizing projects and activities of the type described above designed to stimulate and encourage private enterprise and investment abroad. As pointed out above, such activities also have been and are being conducted as part of the regular country programs of assistance (e.g., technical cooperation or special assistance) in the same way as are projects and activities in other fields such as agriculture or education. The executive branch does not construe the language of section 110 to affect such projects and activities programed and carried out as part of regular country programs.

But section 110, if enacted, would prevent setting aside an amount (\$2 million has been planned for fiscal year 1961) to be used to take advantage of emerging opportunities to conduct additional and intensified activities of this type. The executive branch believes that activities of the type described above to encourage private enterprise and investment deserve the special emphasis represented by the investment incentive program, and that this technique of earmarking an amount to expand and emphasize such activities is a sound one. It, therefore, opposes the prohibition in section 110 of the House bill.

REPRESENTATIVE ACTIVITIES OF INVESTMENT INCENTIVE PROGRAM DURING FISCAL YEAR 1960

Thailand

Under the investment incentive program, ICA financed an investment survey team of American businessmen which prepared recommendations on measures needed and feasible to expand local enterprise and foreign investment in Thailand. ICA also is financing the services of several experienced American banking experts who are furnishing advice to a new private Thai development bank established to make loans to local small business. Technical guidance is being provided for the establishment of an investment center in Bangkok to furnish special technical assistance to potential small-scale investors and to serve as a collection point and clearinghouse for economic and technical data of interest to persons considering going into private business or investing in Thailand.

Taiwan

ICA is financing advisory assistance in the organization of an investment center to aid in the preinvestment technical and economic analysis necessary to ready a project for financing, with a particular view to developing privately sponsored small and medium-sized enterprises which might qualify for loans from the new Taiwan development bank.

India

Under the investment incentive program, advisory assistance is being provided in the organization and initial operation of an investment center to carry on systematic professional efforts, in India and in the major capital markets of the world, to attract new private investment to India.

Ecuador

An ICA-financed team of American industry experts has completed a study of the feasibility of establishing a basic chemicals industry in Ecuador. A project agreement has been signed for the furnishing of advisory assistance in the establishment of an investment center in Quito, similar to those

described above in Taiwan and India, for surveying specific private industrial investment opportunities and for preparing prospectuses to facilitate the transfer of certain government-owned plants to private ownership.

THE PROBLEM OF DICTATORS

Mr. JAVITS. Mr. President, I wish to speak also upon the subject of what we shall do about dictators, especially dictators in the Western Hemisphere, but dictators whatever may be their coloration—black or white, brown or red.

Two amendments have now been written into the bill. One of them proposes, with respect to the Castro regime in Cuba, to bar from our aid program any nation directly or indirectly giving or loaning military or economic aid to the Castro regime.

Then, on the other side of the medal, there is an amendment which proposes we shall not give any aid to any nation which is supplying arms, munitions, or instruments of war to any country being subjected to economic and diplomatic sanctions by the Organization of American States. Specifically, since August 20, that means the Dominican Republic.

Mr. President, I think both of these provisions demonstrate a totally new position which our country has assumed, which will now be reflected in our law and certainly in our policy, of which we should be apprised as a part of the debate with respect to the bill.

We are no longer, obviously, engaged in "gunboat" diplomacy, which for years was our method in Latin America, very unhappily. We are not even engaged in the "good neighbor" policy any more, Mr. President, which in a sense implied a great, big, generous, powerful neighbor to the north being a "good neighbor" to younger brothers to the south.

Mr. President, today we are in a complete partnership. The United States, notwithstanding the enormous irritations to which it has been subjected and the enormous dangers inherent in the problems of Cuba and the Dominican Republic, has not moved without the concord of the other American States. We are in a new era, an era of regional partnership. This is the policy of the United States now with respect to Latin America, a great and a good policy.

Mr. President, this is the only even-handed way with which to deal with dictators. Certainly we have had strange contradictions in our policy. On the one hand we have dealt with Trujillo, and on the other hand we have condemned Communist dictators. The way in which to reconcile that and accord it with the national interest is to let the democratic consciences of all the nations in a region decide how a dictator is to be dealt with. The conscience of the Organization of American States has now decided in the case of the Dominican Republic, and will decide tomorrow or the next day in the case of Cuba.

Exactly as we have done in the United Nations, we should be one of the parties making the decision, but we should also be the greatest champion of the decision, the most willing to defend it with

our enormous resources after it is made.

Mr. President, to bear out the fact that this idea is winning more friends among the Latin American nations, this morning's news gives us words uttered by the Foreign Minister of Colombia, Senor Turbay, of the most eloquent kind.

That is the most eloquent confirmation that at last our people are on the right road; that is the way to preserve the Monroe Doctrine. I know of few things that the President has done which have made a greater impact upon the people than his absolute determined stand on that issue. The way to do it is in partnership with the American Republics. This is what Senor Turbay said about Cuba:

In the opinion of Colombia, no nation in this hemisphere needs the political or military help of an extracontinental power in order to protect its independence and its sovereignty.

And then to fully confirm the validity of our new policy—and I call it a new policy advisedly—in Latin America, Senor Turbay went on to say:

If the present conflict were between the Government of Cuba and that of the United States there would be occasion for some popular sectors to express their enthusiasm for the leader of the Cuban revolution.

But in a conflict between America and Russia, or in other words between democracy and communism, we do not believe that the American nations have the right to be neutral.

This is a historic turn in the relations of our country with the nations of Latin America.

I hope the American people will hear this well and will not be swept away by the idea that we, the most powerful nation on earth, can tell everybody how to run things, and will rely upon the fact that just as we depend upon a majority here—win, lose, or draw—we fight, but when the decision is made, we all loyally support it. So we must all do the same in the regional organizations to which we adhere, of which the shining example is now the Organization of American States.

This is the true basis of American policy in the decade of the 1960's. I am very glad that Senor Turbay, in this most eloquent way, has confirmed it for all of us from a nation with the long-standing democratic traditions of Colombia.

I thank my colleague for yielding the time.

Mr. COOPER. Mr. President, I yield back the remainder of the time on this side.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of my time, and I ask for the yeas and nays on passage of the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SYMINGTON (when his name was called). On this vote I have a pair with the senior Senator from South Carolina [Mr. JOHNSTON]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], and the Senator from South Carolina [Mr. JOHNSTON] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Pennsylvania [Mr. CLARK] and the Senator from Texas [Mr. YARBOROUGH] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Missouri [Mr. HENNINGS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Iowa [Mr. MARTIN] is absent by leave of the Senate on official business.

The result was announced—yeas 67, nays 26, as follows:

[No. 310]

YEAS—67

Aiken	Engle	McNamara
Allott	Fong	Magnuson
Anderson	Fulbright	Mansfield
Bartlett	Gore	Monroney
Beall	Green	Morse
Bennett	Hart	Morton
Bridges	Hartke	Moss
Burdick	Hayden	Mundt
Bush	Hickenlooper	Murray
Butler	Holland	Muskie
Byrd, W. Va.	Humphrey	O'Mahoney
Cannon	Jackson	Pastore
Capehart	Javits	Prouty
Carlson	Johnson, Tex.	Proxmire
Carroll	Keating	Randolph
Case, N.J.	Kefauver	Saltonstall
Case, S. Dak.	Kennedy	Scott
Church	Kuchel	Smith
Cooper	Lausche	Wiley
Cotton	Long, Hawaii	Williams, N.J.
Dirksen	Lusk	Young, Ohio
Dodd	McCarthy	
Douglas	McGee	

NAYS—26

Bible	Gruening	Schoeppel
Byrd, Va.	Hill	Smathers
Curtis	Hruska	Sparkman
Dworshak	Jordan	Stennis
Eastland	Kerr	Talmadge
Ellender	Long, La.	Thurmond
Ervin	McClellan	Williams, Del.
Frear	Robertson	Young, N. Dak.
Goldwater	Russell	

NOT VOTING—7

Chavez	Johnston, S.C.	Symington
Clark	Martin	Yarborough
Hennings		

So the bill (H.R. 12619) was passed.

Mr. DIRKSEN. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HAYDEN. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. MUSKIE in the chair) appointed Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HOLLAND, Mr. STENNIS, Mr. BRIDGES, Mr. SALTONSTALL, and Mrs. SMITH, conferees on the part of the Senate.

REVISION OF BOUNDARIES OF CORONADO NATIONAL MEMORIAL

The PRESIDING OFFICER (Mr. MUSKIE in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 2806) to revise the boundaries of the Coronado National Memorial and to authorize the repair and maintenance of an access road thereto, in the State of Arizona, and for other purposes, which was, to strike out all after the enacting clause and insert:

That, in furtherance of the purposes of the Act of August 18, 1941 (55 Stat. 630), as amended, and to facilitate the administration and development of the Coronado National Memorial, Arizona, the boundaries thereof are hereby revised by the following additions and deletions of land:

(1) Inclusion in the memorial and exclusion from the Coronado National Forest of lots 2 and 7 and a portion of Homestead Entry Survey 310 situated in section 18, township 24 south, range 21 east, Gila and Salt River base and meridian, said portion of Homestead Entry Survey 310 being more particularly described as follows: Beginning at the southwest corner (identified as corner number 1), of Homestead Entry Survey 310, said point being located on the present boundary of Coronado National Memorial and marked by an iron pipe with a brass cap and a rock cairn placed by the United States Bureau of Land Management in 1955; thence north zero degrees thirty-three minutes west, one thousand two hundred ninety-four and twenty-six hundredths feet, more or less, along the west boundary of said tract, which line is also the present boundary of said memorial, to the northeast corner of lot 8, section 18, said point being marked by an iron pipe with a brass cap and a rock cairn placed by the United States Bureau of Land Management in 1955; thence north zero degrees twenty-three minutes east, two hundred thirty and eight-tenths feet, more or less, along the west boundary of Homestead Entry Survey 310 to a point on a circular curve marked by an iron pipe with a National Park Service brass cap, said point being located south eighty-one degrees forty-four minutes east, exactly one hundred forty feet from the point of curvature of said curve; thence southeasterly five hundred forty-eight and two-tenths feet along said circular curve to the right of radius one thousand seven hundred thirty-two and four-tenths feet and having a beginning tangent bearing of south eighty-four degrees three minutes east (from point of curvature to point of intersection), to the point of tangency of said curve; thence south sixty-one degrees sixteen minutes east, two hundred twenty-four and eight-tenths feet to the point of curvature of a circular curve to the right; thence southeasterly two hundred ninety-two and six-tenths feet along said circular curve to the right of radius six thousand twenty-nine and six-tenths feet

to the point of tangency of said curve; thence south fifty-eight degrees twenty-nine minutes east, five hundred eighty-eight and seven-tenths feet to the point of curvature of a circular curve to the right; thence southeasterly two hundred twenty-five and nine-tenths feet along said circular curve to the right of radius two thousand two hundred nine and nine-tenths feet to the point of tangency of said curve; thence south fifty-two degrees thirty-eight minutes east, twenty-eight and eight-tenths feet to the point of curvature of a circular curve to the left; thence southeasterly two hundred sixteen and nine-tenths feet along said circular curve to the left of radius one thousand six hundred nine and nine-tenths feet to the point of tangency of said curve; thence south sixty degrees twenty-one minutes east, thirty and seven-tenths feet to the point of curvature of a circular curve to the right; thence southeasterly seven hundred thirteen and six-tenths feet, more or less, along said circular curve to the right of radius one thousand two hundred fifty-four and nine-tenths feet to a point on the southern boundary line of Homestead Entry Survey 310 marked by an iron pipe with a National Park Service brass cap, said point also being located on the present northern boundary line of Coronado National Memorial thence north eighty-nine degrees forty-nine minutes west two thousand three hundred and sixty-one feet, more or less, along the southern boundary line of Homestead Entry Survey 310, which line is also the present northern boundary of the said memorial, to the point of beginning (all bearings referred to the true meridian).

(2) Inclusion in the Memorial and exclusion from the Coronado National Forest of lots 5 and 6 in section 20, township 24 south, range 21 east, Gila and Salt River base and meridian.

(3) Exclusion from the Memorial and inclusion in the Coronado National Forest of the north half southwest quarter northwest quarter section 13, and the north half southeast quarter northeast quarter section 14, all in township 24 south, range 20 east, Gila and Salt River base and meridian.

SEC. 2. The Secretary of the Interior is authorized to acquire lands and interests in lands within the revised boundaries of the Coronado National Memorial by purchase, donation, with donated funds, or by such other means as he may consider to be in the public interest. Lands and interests in lands acquired pursuant to this Act shall become a part of the Memorial and be administered by the Secretary of the Interior in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535), as amended, and pursuant to sections 2, 3, and 4 of the Act of August 18, 1941 (55 Stat. 630), as amended.

SEC. 3. The Act approved August 7, 1946 (60 Stat. 885), is hereby amended by substituting a semicolon for the period at the end of subsection (a), section 1, and inserting immediately thereafter the following: "repair and maintenance of the class 'C' road lying between the terminus of F. A. 383 at the east boundary of Coronado National Forest and the point where said class 'C' road enters Coronado National Memorial in the vicinity of Montezuma Pass, approximately 5.3 miles."

SEC. 4. There is hereby authorized to be appropriated the sum of not to exceed \$3,000 for the purpose of acquiring lands, interests in lands, and improvements thereon as may be necessary for carrying out this Act.

Mr. HAYDEN. Mr. President, the bill provides for the revision of the boundaries of the Coronado National Memorial and authorizes the appropriation of not to exceed \$3,000 for the purpose of acquiring lands, interest in lands, and improvements thereon as may be necessary for carrying out this act.

I move that the Senate concur in the amendment of the House.

The motion was agreed to.

COMMITTEE SERVICE—SENATOR MARTIN, OF IOWA, AND SENATOR YOUNG OF NORTH DAKOTA

Mr. DIRKSEN. Mr. President, I submit a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The resolution (S. Res. 370) was read, as follows:

Resolved, That the Senator from Iowa, Mr. MARTIN, is excused from further service on the Committee on Interior and Insular Affairs; be it further

Resolved, That the Senator from Iowa, Mr. MARTIN, be assigned to the Committee on Rules and Administration, and the Senator from North Dakota, Mr. Young, be assigned to the Committee on Post Office and Civil Service.

Mr. DIRKSEN. Mr. President, I wish to express the appreciation of the minority for the action on the part of the Senator from Iowa [Mr. MARTIN] in releasing his assignment on the Committee on Interior and Insular Affairs. The Senator from Iowa by reason of his membership on the Interior and Insular Affairs Committee was appointed by the President of the Senate as a member of the Commission on Outdoor Recreation Resources Review. As a Senator will no longer be a member of that Commission, I wanted the Record to show that because of the great interest which he has shown throughout his lifetime in recreation activities, the Commission will lose a valued member and an ardent supporter. It is my hope that when a final report is made by the Commission due credit will be given to the Senator from Iowa for his loyal and faithful service.

The PRESIDING OFFICER. Is there objection to the consideration of the resolution?

There being no objection, the resolution (S. Res. 370) was considered and agreed to.

COMMITTEE SERVICE—SENATOR BURDICK, OF NORTH DAKOTA

Mr. JOHNSON of Texas. Mr. President, I submit a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The resolution (S. Res. 371) was read, as follows:

Resolved, That the Senator from North Dakota, Mr. BURDICK, be assigned to service on the Committee on Interior and Insular Affairs and the Committee on Labor and Public Welfare.

The PRESIDING OFFICER. Is there objection to the consideration of the resolution?

The resolution was agreed to.

AMENDMENT OF MINERAL LEASING ACT OF 1920—CONFERENCE REPORT

Mr. O'MAHONEY. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the

Senate to the bill (H.R. 10455) to amend the Mineral Leasing Act of February 25, 1920. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read, for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of August 23, 1960, pp. 16151-16154, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. O'MAHONEY. Mr. President, this conference report is an agreement between the two Houses on amendments to the Mineral Act of February 25, 1920. The bill is the result of 14 months of deliberations. On June 15, 1958, I introduced S. 2181, a general revision of the oil and gas sections of the Mineral Leasing Act. Part of the bill dealt with the relief of bona fide purchasers. This was an emergency provision which passed both the Senate and the House, and was signed by the President on September 21, 1959.

On February 4, this year, I introduced S. 2983, another general revision of the Mineral Leasing Act, recast in view of the facts which had been ascertained in the hearings on S. 2181. Representative WAYNE ASPINALL, chairman of the Committee on Interior and Insular Affairs of the House of Representatives, introduced a bill to the same effect on March 23, 1960. This eventuated in the passage of H.R. 10455 by the House of Representatives before the Senate Committee on Interior and Insular Affairs had an opportunity to deal with S. 2983. House bill 10455 was, therefore, taken by the Senate Committee on Interior and Insular Affairs as the measure which it would amend and report to the Senate, because in that way it would be easier to hold a conference.

The conference report by the Senate conferees, which I now submit, was unanimously agreed to by the Senate conferees. The House report which was passed by the House this afternoon was likewise unanimously agreed to by managers on the part of the House.

The measure is one of great importance. Four hundred million acres of the Western States are public lands. Except for the granite core of the great mountain ranges, these public lands embrace great sedimentary basins prospectively valuable for the deposits of oil which are locked within them.

Proceedings which have been instituted by the Department of the Interior, involving a large acreage, have, in effect, brought a stalemate in drilling. The revision contained in the conference report which I am presenting is designed to clarify the law and make it possible for oil operators, large and small, to resume their operations in compliance with the provisions of law which have been agreed upon by the Congress in consultation with responsible officials of the Department of the Interior.

The principal changes include:

First. A consolidation of the acreage limitations with respect to leases and op-

Haley	Mills	Sikes
Harmon	Minshall	Siler
Harrison	Montoya	Simpson
Herlong	Morris, N. Mex.	Smith, Calif.
Hiestand	O'Konski	Smith, Va.
Hoeven	Rassman	Steed
Hoffman, Ill.	Pally	Taber
Hoffman, Mich.	Probst	Teague, Tex.
Holt	Pillitter	Thomson, Wyo.
Hosmer	Pirnie	Tuck
Hull	Poff	Utt
Jennings	Reece, Tenn.	Van Pelt
Jensen	Rhodes, Ariz.	Van Zandt
Johansen	Rogers, Fla.	Westland
Jones, Mo.	Rogers, Tex.	Wharton
Kitchin	Rutherford	Whitener
Kyl	St. George	Whitten
McGinley	Saylor	Wier
McMillan	Scherer	Williams
Mason	Scott	Winstead
Matthews	Short	

NOT VOTING—40

Barden	Hébert	Nix
Barrett	Hess	Norrell
Baumhart	Ikard	Preston
Bentley	Kee	Quile
Bolling	Kilburn	Rogers, Mass.
Buckley	Kirwan	Smith, Kans.
Celler	Landrum	Taylor, N.Y.
Davis, Tenn.	Loser	Thompson, La.
Dawson	McSween	Thompson, N.J.
Fascell	Magnuson	Vinson
Glenn	Mahon	Wainwright
Grant	Mitchell	Withrow
Harris	Morrison	
Healey	Murray	

the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HOLLAND, Mr. STENNIS, Mr. BRIDGES, Mr. SALTONSTALL, and Mrs. SMITH to be the conferees on the part of the Senate.

MUTUAL SECURITY APPROPRIATION BILL, 1961

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12619), making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

The Chair hears none, and appoints the following conferees: Messrs. PASSMAN, GARY, CANNON, TABER, and FORD.

LEGISLATIVE PROGRAM

(Mr. HALLECK asked and was given permission to address the House for 1 minute.)

Mr. HALLECK. Mr. Speaker, I would like to inquire of the majority leader if he can tell us as to the program for tomorrow, either definitely or as a probability.

Mr. McCORMACK. I am glad the gentleman made that inquiry. I have no legislative business or program for tomorrow, as I announced earlier. I do not know what the situation will be in connection with conference reports. I know of none now, although the committee handling Health, Education, and Welfare has until midnight tonight to file a report. Of course, those may be brought up at any time.

In the event that the Rules Committee should report a resolution to take from the Speaker's desk and send to conference the minimum wage bill, then the leadership on both sides of the aisle—this colloquy is for that purpose—alerts Members that that rule may be brought up tomorrow.

Mr. HALLECK. May I say to the gentleman that, as far as I am concerned, and I am sure his attitude is the same, we would want to discuss that with our members on the Rules Committee to determine whether or not if a rule is reported such action would be in line with what they want done. As far as I am concerned I would be glad to go along with any such arrangement if a rule is reported.

Mr. McCORMACK. The gentleman's position is clearly understood and it is a very fair and proper one. This colloquy between the gentleman from Indiana and myself is simply to let the Members know and be on their guard that there is a reasonable if not strong probability that if a rule is reported out it may be brought up tomorrow.

I understand also that the Committee on Ways and Means has until midnight to file a report on a bill.

Conference reports can be brought up at any time. We just want to advise the Members about the probability of sending the minimum wage bill to conference.

Mr. HALLECK. I thank the gentleman.

DISTRICT OF COLUMBIA

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight tonight to file certain reports.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

GEORGE WASHINGTON CARVER CENTENNIAL COMMISSION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent—and I make this request not only for myself, but for my distinguished friend, the gentleman from Iowa [Mr. JENSEN], who filed a companion resolution—for the immediate consideration of House Joint Resolution 799, establishing a George Washington Carver Centennial Commission.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, what is this going to cost?

Mr. McCORMACK. Mr. Speaker, the gentleman knows that George Washington Carver was not only one of the great Americans, but one of the great men of all time. On the occasion of his 100th anniversary, the resolution provides for the establishment of a commission to be known as the George Washington Carver Centennial Commission. The number of members is provided in the joint resolution. The authorization is \$249,000.

Mr. GROSS. Does the gentleman anticipate that that will take care of this Commission, and there will be no further requests for money?

Mr. McCORMACK. I would prefer that the gentleman from Iowa [Mr. JENSEN] answer that question.

Mr. JENSEN. I may say to the gentleman from Iowa [Mr. Gross] that there will be no further requests for this purpose. It is a most worthy cause. George Washington Carver, as the gentleman knows, was a person of great fame not only to every colored person in America but every person in America. We worship his memory. July 13 of this year was the 100th anniversary of the birth of this great American. I trust there will be no opposition to this legislation.

Mr. McCORMACK. May I say to the gentleman from Iowa [Mr. Gross] that we cleared this with the chairman of the Committee on the Judiciary, the ranking member, and the minority leader. It has all been cleared. If we are going to do this at all we have to do it now, otherwise next year it will be too late.

Mr. JENSEN. If the gentleman will yield further, may I say that I introduced this joint resolution a few days

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Taylor of New York against.

Mr. Wainwright for, with Mr. Smith of Kansas against.

Mr. Bentley for, with Mr. Hess against.

Mr. Celler for, with Mr. Baumhart against.

Mr. Buckley for, with Mr. Kilburn against.

Mr. Kirwan for, with Mr. Withrow against.

Until further notice:

Mr. Morrison with Mr. Glenn.

Mr. Thompson of Louisiana with Mr. Quile.

Mr. Loser with Mrs. Rogers, Mass.

Mrs. MAY changed her vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on Senate Joint Resolution 170 just prior to its passage.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 12619. An act making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with

age and was pleased and proud when the gentleman from Massachusetts [Mr. McCORMACK] said to me that he would be proud to have the privilege of introducing a similar resolution, which he did. He has carried this thing along now. I know that every American who has known of the great work of George Washington Carver will be proud of the Congress of the United States for doing this thing.

Mr. GROSS. I would say only this, that I think there is more justification for the passage of this joint resolution than the one passed just a few moments ago.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from West Virginia.

Mr. BAILEY. For many years George Washington Carver was on the faculty of West Virginia State College. He was one of the three or four outstanding Negroes of his generation. He carried on many experiments that led to the development of the peanut and other industries while he was on the faculty of West Virginia State College. Later he moved his activities to Alabama. I am very much in favor of the joint resolution introduced by the gentleman from Massachusetts.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) (1) There is hereby established a Commission to be known as the "George Washington Carver Centennial Commission" (hereinafter referred to as the "Commission") which shall be composed of sixteen members as follows:

(A) Five members who are outstanding Americans, to be appointed by the President;

(B) Two members who are Members of the Senate, to be appointed by the President of the Senate;

(C) Three members who are Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives;

(D) One member from the Department of the Interior who shall be the Director of the National Park Service, or his representative, and who shall serve as executive officer of the Commission; and

(E) Five members to be appointed by the President after consideration of such recommendations as may be made, upon the request of the President, by the George Washington Carver National Monument Foundation.

(2) The President shall, at the time of appointment, designate one of the members appointed by him to serve as Chairman, and two of the members appointed by him to serve, upon the recommendation of the George Washington Carver National Monument Foundation, full time under the direction of the Chairman in carrying out the functions of the Commission. The two members of the Commission serving full time shall receive compensation at a rate fixed by the Chairman and shall be reimbursed for their actual and necessary traveling and subsistence expenses incurred in the discharge of their duties. The other members

of the Commission shall receive no salary but shall be reimbursed for their actual and necessary traveling and subsistence expenses incurred in the discharge of their duties.

(b) The functions of the Commission shall be to develop and to execute suitable plans for the celebration of the 100th anniversary of the birth of George Washington Carver. In carrying out these functions the Commission is authorized to cooperate with and to assist the George Washington Carver National Monument Foundation to plan a centennial celebration of the birth of George Washington Carver, and to invite all of the people of the United States to join therein.

(c) The Commission may employ, without regard to civil service laws or the Classification Act of 1949, such employees as may be necessary in carrying out its functions.

(d) (1) The Commission is authorized to accept donations of money, property, or personal services; to cooperate with patriotic and historical societies and with institutions of learning; and to call upon other Federal departments or agencies for their advice and assistance in carrying out the purposes of this section. The Commission, to such extent as it finds to be necessary, may, without regard to the laws and procedures applicable to Federal agencies, procure supplies, services, and property and make contracts, and may exercise those powers that are necessary to enable it to carry out efficiently and in the public interest the purposes of this section.

(2) Expenditures of the Commission shall be paid by the executive officer of the Commission, who shall keep complete records of such expenditures and who shall account also for all funds received by the Commission. A report of the activities of the Commission, including an accounting of funds received and expended, shall be furnished by the Commission to the Congress not later than June 30, 1962. The Commission shall terminate upon submission of its report to the Congress.

(3) Any property acquired by the Commission remaining upon termination of the celebration may be used by the Secretary of the Interior for purposes of the national park system or may be disposed of as surplus property: *Provided*, That any property so acquired which may be requested by the George Washington Carver National Monument Foundation to assist it in carrying out its functions and purposes shall be donated to the Foundation. The net revenues, after payment of Commission expenses, derived from Commission activities, shall be deposited in the Treasury of the United States.

(e) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the Commission, for necessary expenses in carrying out its functions under this section, \$249,000.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record, and I further ask that all Members who desire to do so may have 5 legislative days in which to extend their remarks on the joint resolution just passed and with regard to the late George Washington Carver.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, in an age dominated by scientific achievement, there are many great names to

consider and many great deeds to praise. Even so, there is no doubt that some stand alone in their magnificence, no matter how worthy the others may be.

In such a category do we find Dr. George Washington Carver, a giant among giants in his field.

Born a slave in the Civil War era, Dr. Carver rose above the traditional barriers and pitfalls of poverty, plus that of race, to wholly revolutionize the field of agricultural chemistry.

His contributions to the field have earned for him such names as the "Wizard of Tuskegee." Nor has he worked for science alone. Indeed, his discoveries have so elevated the economic value of the once-neglected peanut, to the point where it stands today as one of the greatest money crops in the southern United States.

A benefit to science, to agriculture, and to economic prosperity, Dr. Carver merits the praise he receives today, from every corner of the land.

Mr. Speaker, may I say further that I have talked to two of our colleagues, one from North Carolina and the other from South Carolina, about the joint resolution just passed, and the words of praise they had for the late George Washington Carver were certainly inspirational to me. I know each of them has indicated to me that he wants to insert his remarks in the Record in relation to this great man.

Mr. Speaker, I have ready to file in this august legislative body this day, a copy of House Joint Resolution 787, dated August 22, 1960, on that day introduced by the distinguished gentleman from Iowa [Mr. JENSEN] establishing a George Washington Carver Centennial Commission. This copy of Mr. JENSEN's resolution was presented to me yesterday by Mr. Phillips, of the distinguished Tuskegee Institute, with the request that I join in sponsoring House Joint Resolution 787.

In view of the fact that our distinguished majority leader has this day done another of the very fine, exemplary legislative acts which are his custom, and has called this resolution to the floor for action at this time, I, of course, will not file House Joint Resolution 787 as I intended to do before the close of legislative business today.

But, may I say that I heartily approve this resolution and the very appropriate and timely purpose thereof; for, the resolution provides that the Commission therein provided for is to be constituted by five outstanding Americans to be appointed by the President; two members who are Members of the U.S. Senate, appointed by the President of the Senate; three members who are Members of the House, appointed by the Speaker of the House; one member from the Department of the Interior who shall be the Director of the National Park Service, or his representative, who shall serve as executive officer of the Commission; and five members to be appointed by the President of the United States after consideration of such recommendations as may be made, upon the request of the President, by the George Washington Carver National Monument Foundation.

Aug. 25, 1960

14. FARM PROGRAM. Sen. Hruska inserted a newspaper editorial commenting on recent statements by Vice President Nixon and Sen. Kennedy regarding the farm program. pp. 16354-5
15. PUBLIC WORKS. Sen. Chavez inserted a report on the accomplishments of the Public Works Committee, including references to forest highways and watershed projects. pp. 16339-43
16. CIVIL DEFENSE. Sen. Hruska inserted a statement of accomplishment of the Republican administration on civil defense and defense mobilization. pp. 16363-4

HOUSE

17. SMALL BUSINESS. House and Senate conferees were appointed on H. R. 11207, to amend the Small Business Act so as to authorize \$150 million additional for loans to small businesses. pp. 16435-6, 16386
Rep. Coffin urged the adoption of Sec. 8 of this bill, which amends the Small Business Act to require that the Small Business Administrator "promulgate an effective program to enable small concerns to participate in defense contracts at the subcontracting level." pp. 16490-1
18. LABOR-HEW APPROPRIATION BILL, 1961. Agreed to the conference report on this bill, H. R. 11390. pp. 16436-43
19. LABOR STANDARDS. Agreed to a resolution to send to conference H. R. 12677, to amend the Fair Labor Standards Act to increase the minimum wage and to increase coverage under the Act. Conferees were appointed. Senate conferees have been appointed. p. 16443
20. HEALTH. Received the conference report on H. R. 6871, to amend the Public Health Service Act so as to authorize project grants for graduate training in public health (H. Rept. 2062). pp. 16444-5
21. COMMODITY LOANS. Rep. Avery criticized the present Congress for "deliberately" refusing "to extend a limitation of CCC loans for the 1961 crops" which he states will result in "large corporation farmers" again exploiting "the resources of the CCC for the 1961 crop and this exploitation will be charged to the Department of Agriculture." pp. 16466-7
22. MUTUAL SECURITY APPROPRIATION BILL, 1961. Received the conference report on this bill, H. R. 12619 (H. Rept. 2164)(p. 16495-503). As reported by the conference committee this bill includes items as follows: Provides \$150 million for technical cooperation, provides \$230 million for special assistance, deletes House language which would authorize use of \$1.5 million of local currency for hospital construction and instead appropriates \$1.5 million for purchase of these local currencies, deletes the House provision prohibiting the use of funds for a study on the feasibility of a Point-4 Youth Corps, and deletes the House provision prohibiting the use of local currencies for loans to small farmers. Several amendments were reported in disagreement.
23. OLD-AGE ASSISTANCE. Received the conference report on H. R. 12580, to provide Federal grants to States for medical care for aged individuals of low income (H. Rept. 2165). pp. 16496-503

24. RECLAMATION. Received from the Interior Department a report on the Oroville-Tonasket Unit, Okanogan-Similkameen Division, Chief Joseph Dam project, Wash. (H. Doc. 453). p. 16504
25. FOREIGN AID. The Foreign Affairs Committee reported with amendment H. R. 13021, to provide for assistance in the development of Latin America and in the reconstruction of Chile (H. Rept. 2163). p. 16505
26. LANDS. The Interior and Insular Affairs Committee voted to report (but did not actually report) the following bills:
S. 2878, to adjust Indian and non-Indian land use areas in the vicinity of the Navajo Indian Reservation, New Mexico; and
H. R. 12091, to further amend the act authorizing the conveyance of certain lands to Miles City, Mont., in order to extend for one year the authority under such act. p. D718
27. WATERSHEDS. The Public Works Committee approved three watershed projects in Okla. and one in Mich. p. D719
28. FOREIGN SERVICE. The "Daily Digest" states that conferees agreed to file a report on S. 2633, to amend the Foreign Service Act of 1946 relating to Foreign Service staff officers and the Foreign Service retirement system. p. D719
29. RESEARCH. The "Daily Digest" states, "Conferees met in executive session to resolve the differences between the Senate- and House-passed versions of S. 690, to provide for increased use of agricultural products for industrial purposes, but did not reach agreement." p. D719
30. FARM PROGRAM. In criticizing the Democratic party Rep. Schwengel included a criticism of the Agricultural Adjustment Act of 1933. pp. 16471-9
31. PUBLIC DEBT. Rep. Reuss criticized the administration's money policies stating they are "largely" responsible for our recent growth rate, and urged enactment of H. R. 6263, which he states "endeavors to correct" the administration's refusal "to concede that it has any duty to come forward with a money policy at all." pp. 16481-90
32. FOREIGN TRADE. Rep. Van Zandt urged the adoption of "positive... morally honest... economically sound protectionism" for U. S. producers, and gave as an example of U. S. industry which has been hurt by foreign competition, the ranchers and meat processors of this country. pp. 16468-70

ITEMS IN APPENDIX

33. FARM PROGRAM, FAMILY FARM. Sen. Humphrey inserted resolutions of farm policy adopted by the Catholic Rural Life Conference, and his article in the Catholic Rural Life magazine outlining his views on a family farm development program as contained in his bill, S. 2502. pp. A6356-8
34. TEXTILE IMPORTS. Rep. Hemphill inserted a newspaper editorial discussing the effects on the domestic textile industry of the importation of lower-priced Japanese textile products. pp. A6358-9

MUTUAL SECURITY AND RELATED AGENCIES
APPROPRIATION BILL, 1961

AUGUST 25, 1960.—Ordered to be printed

Mr. PASSMAN, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 12619]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12619) making appropriations for Mutual Security and related agencies for the fiscal year ending June 30, 1961, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 5, 12, 18, 19, 20, 21, 23, 32, 34, 36, and 38.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 8, 9, 10, 11, 24, 25, 27, and 30, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$24,000,000; and the Senate agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$610,000,000; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$230,000,000; and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment, amended to read as follows:

Office of the Inspector General and Comptroller: Not to exceed \$1,200,000 of the funds appropriated in this title shall be available to carry out the provisions of section 533A of the Mutual Security Act of 1954, as amended.

And the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment, amended to read as follows: : *Provided, That none of the funds appropriated in this paragraph shall be used for any project or activity for which an estimate has been submitted to Congress and which estimate has been rejected;* and the Senate agree to the same.

Amendment numbered 26:

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment, amended to read as follows:

SEC. 106. None of the funds herein appropriated shall be used to finance any of the activities under the Investment Incentive Fund Program.

And the Senate agree to the same.

Amendment numbered 28:

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows:

In lieu of the number proposed by said amendment insert 107; and the Senate agree to the same.

Amendment numbered 29:

That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows:

In lieu of the number proposed in said amendment insert 108; and the Senate agree to the same.

Amendment numbered 37:

That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$6,000,000; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 14, 16, 17, 22, 31, 33, 35, and 39.

OTTO E. PASSMAN,
J. VAUGHAN GARY,
CLARENCE CANNON,
JOHN TABER,
GERALD R. FORD, Jr. (except
as to amendments Nos. 2, 7, and 13),
Managers on the Part of the House.

CARL HAYDEN,
RICHARD B. RUSSELL,
DENNIS CHAVEZ,
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SPESSARD L. HOLLAND,
JOHN STENNIS,
STYLES BRIDGES,
LEVERETT SALTONSTALL (except
as to amendments Nos. 2 and 15),
MARGARET CHASE SMITH,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12619) making appropriations for Mutual Security and related agencies for the fiscal year ending June 30, 1961, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—MUTUAL SECURITY

Amendment No. 1—*Military assistance*: Authorizes not to exceed \$24,000,000 for administrative expenses instead of \$23,000,000 as proposed by the House and \$25,000,000 as proposed by the Senate.

Amendment No. 2—*Defense support*: Appropriates \$610,000,000 instead of \$600,000,000 as proposed by the House and \$640,000,000 as proposed by the Senate.

Amendment No. 3—*Defense support*: Reported in disagreement.

Amendments Nos. 4 and 5—*Technical cooperation, general authorization*: Appropriate \$150,000,000 as proposed by the House instead of \$172,000,000 as proposed by the Senate; and restore language proposed by the House prohibiting the use of funds for projects not justified to the Congress. The conferees are in agreement that the President's contingency fund is available for any essential new starts.

Amendment No. 6—*Technical cooperation programs of the Organization of American States*: Appropriates \$1,300,000 as proposed by the Senate instead of \$1,500,000 as proposed by the House.

Amendments Nos. 7 and 8—*Special assistance, general authorization*: Appropriate \$230,000,000 instead of \$206,000,000 as proposed by the House and \$256,000,000 as proposed by the Senate; and delete language proposed by the House relating to the contractual arrangements between the State Department and the Benjamin Franklin Foundation, as proposed by the Senate.

Amendment No. 9—*Special assistance, special authorization*: Deletes House language authorizing the use of \$1,500,000 in local currencies for hospital construction and appropriates \$1,500,000 for the purchase of local currencies for hospital construction in Krakow, Poland, as proposed by the Senate.

Amendment No. 10—*Intergovernmental Committee for European Migration*: Appropriates \$6,700,000 as proposed by the Senate instead of \$10,000,000 as proposed by the House.

Amendment No. 11—*Escapee program*: Appropriates \$3,350,000 as proposed by the Senate instead of \$3,500,000 as proposed by the House.

Amendment No. 12—*General administrative expenses*: Appropriates \$38,000,000 as proposed by the House instead of \$40,000,000 as proposed by the Senate.

Amendment No. 13—*Office of the Inspector General and Comptroller*: Amends language proposed by the House and deleted by the Senate to provide that not to exceed \$1,200,000 may be used for expenses of this Office instead of \$1,000,000 as proposed by the House.

Amendment No. 14—*President's special authority and contingency fund*: Reported in disagreement.

Amendment No. 15—*President's special authority and contingency fund*: Restores House language with perfecting language.

Amendment No. 16—*President's special authority and contingency fund*: Reported in disagreement.

Amendment No. 17: Reported in disagreement.

Amendment No. 18: Deletes language proposed by the Senate relating to the continued availability of unobligated balances.

DEVELOPMENT LOAN FUND

Amendment No. 19: Appropriates \$550,000,000 as proposed by the House instead of \$700,000,000 as proposed by the Senate.

Amendments Nos. 20 and 21—*Administrative expenses, Development Loan Fund*: Authorize not to exceed \$1,800,000 for administrative expenses as proposed by the House instead of \$2,150,000 as proposed by the Senate; and delete language proposed by the Senate relating to nonadministrative expenses.

GENERAL PROVISIONS

Amendment No. 22: Reported in disagreement.

Amendment No. 23: Restores language proposed by the House and deleted by the Senate.

Amendment No. 24: Deletes language proposed by the House prohibiting the use of funds for a study on the feasibility of a Point Four Youth Corps.

Amendment No. 25: Deletes language proposed by the House prohibiting the use of local currencies for loans to small farmers.

Amendment No. 26: Restores language proposed by the House prohibiting the use of funds for activities under the Investment Incentive Fund Program.

Amendment No. 27: Deletes language proposed by the House prohibiting the use of funds to carry out a study on the Puerto Rico Center for Cultural and Technical Interchange.

Amendment No. 28: Changes section number.

Amendment No. 29: Changes section number.

Amendment No. 30: Deletes language proposed by the House prohibiting the use of funds for contracts with any organization that has hired a former ICA employee.

Amendment No. 31: Reported in disagreement.

Amendment No. 32: Deletes language proposed by the Senate relating to financial participation in programs by recipient nations.

Amendment No. 33: Reported in disagreement.

Amendment No. 34: Deletes language proposed by the Senate relating to the importation or reimportation of firearms into the United States.

Amendment No. 35: Reported in disagreement.

TITLE II—RYUKYU ISLANDS, ADMINISTRATION

Amendment No. 36: Authorizes not to exceed \$3,000 for contingencies as proposed by the House instead of \$4,000 as proposed by the Senate.

Amendment No. 37: Appropriates \$6,000,000 for expenses instead of \$5,250,000 as proposed by the House and \$7,704,000 as proposed by the Senate. The conferees are in agreement that within the increased funds allowed primary emphasis should be placed on health and schools.

Amendment No. 38: Authorizes not to exceed \$1,633,000 for administrative and information expenses as proposed by the House instead of \$1,744,000 as proposed by the Senate.

TITLE III—EXPORT-IMPORT BANK

Amendment No. 39: Reported in disagreement.

OTTO E. PASSMAN,
J. VAUGHAN GARY,
CLARENCE CANNON,
JOHN TABER,
GERALD R. FORD, Jr. (except as to
amendments Nos. 2, 7, and 13),
Managers on the Part of the House.



D

MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATION BILL, 1961

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill H.R. 12619, making appropriations for Mutual Security and related agencies for the fiscal year 1961.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 2164)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12619) making appropriations for Mutual Security and related agencies for the fiscal year ending June 30, 1961, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 5, 12, 18, 19, 20, 21, 23, 32, 34, 36, and 38.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 8, 9, 10, 11, 24, 25, 27, and 30, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1 and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$24,000,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$610,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$230,000,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"Office of the Inspector General and Comptroller: Not to exceed \$1,200,000 of the funds appropriated in this title shall be available to carry out the provisions of section 533A of the Mutual Security Act of 1954, as amended."

And the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: "Provided, That none of the funds appropriated in this paragraph shall be used for any project or activity for which an estimate has been submitted to Congress and which estimate has been rejected"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 106. None of the funds herein appropriated shall be used to finance any of the activities under the Investment Incentive Fund Program."

And the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the number proposed by said amendment insert "107"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the number proposed in said amendment insert "108"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$6,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 14, 16, 17, 22, 31, 33, 35, and 39.

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JOHN TABER,
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(except as to amendments Nos. 2, 7, and 13),

Managers on the Part of the House.

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RICHARD B. RUSSELL,
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SPESSARD L. HOLLAND,
JOHN STENNIS,
STYLES BRIDGES,
LEVERETT SALTONSTALL
(except as to amendments Nos. 2 and 15),

MARGARET CHASE SMITH,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12619) making appropriations for Mutual Security and related agencies for the fiscal year ending June 30, 1961, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

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Amendment No. 2—Defense support: Appropriates \$610,000,000 instead of \$600,000,000 as proposed by the House and \$640,000,000 as proposed by the Senate.

Amendment No. 3—Defense support: Reported in disagreement.

Amendments Nos. 4 and 5—Technical cooperation, general authorization: Appropriate \$150,000,000 as proposed by the House instead of \$172,000,000 as proposed by the Senate; and restore language proposed by the House prohibiting the use of funds for projects not justified to the Congress. The conferees are in agreement that the President's Contingency Fund is available for any essential new starts.

Amendment No. 6—Technical cooperation programs of the Organization of American States: Appropriates \$1,300,000 as proposed by the Senate instead of \$1,500,000 as proposed by the House.

Amendments Nos. 7 and 8—Special assistance, general authorization: Appropriate \$230,000,000 instead of \$206,000,000 as proposed by the House and \$256,000,000 as proposed by the Senate; and delete language proposed by the House relating to the contractual arrangements between the State Department and the Benjamin Franklin Foundation, as proposed by the Senate.

Amendment No. 9—Special assistance, special authorization: Deletes House language authorizing the use of \$1,500,000 in local currencies for hospital construction and appropriates \$1,500,000 for the purchase of local currencies for hospital construction in Krakow, Poland, as proposed by the Senate.

Amendment No. 10—Intergovernmental Committee for European Migration: Appropriates \$6,700,000 as proposed by the Senate instead of \$10,000,000 as proposed by the House.

Amendment No. 11—Escapee program: Appropriates \$3,350,000 as proposed by the Senate instead of \$3,500,000 as proposed by the House.

Amendment No. 12—General administrative expenses: Appropriates \$38,000,000 as proposed by the House instead of \$40,000,000 as proposed by the Senate.

Amendment No. 13—Office of the Inspector General and Comptroller: Amends language proposed by the House and deleted by the Senate to provide that not to exceed \$1,200,000 may be used for expenses of this office instead of \$1,000,000 as proposed by the House.

Amendment No. 14—President's special authority and contingency fund: Reported in disagreement.

Amendment No. 15—President's special authority and contingency fund: Restores House language with perfecting language.

Amendment No. 16—President's special authority and contingency fund: Reported in disagreement.

Amendment No. 17—Reported in disagreement.

Amendment No. 18—Deletes language proposed by the Senate relating to the continued availability of unobligated balances.

Development Loan Fund

Amendment No. 19—Appropriates \$550,000,000 as proposed by the House instead of \$700,000,000 as proposed by the Senate.

Amendments Nos. 20 and 21—Administrative expenses, Development Loan Fund: Authorize not to exceed \$1,800,000 for administrative expenses as proposed by the House instead of \$2,150,000 as proposed by the Senate; and delete language proposed by the Senate relating to nonadministrative expenses.

General Provisions

Amendment No. 22: Reported in disagreement.

Amendment No. 23: Restores language proposed by the House and deleted by the Senate.

Amendment No. 24: Deletes language proposed by the House prohibiting the use of funds for a study on the feasibility of a Point 4 Youth Corps.

Amendment No. 25: Deletes language proposed by the House prohibiting the use of local currencies for loans to small farmers.

Amendment No. 26: Restores language proposed by the House prohibiting the use of funds for activities under the Investment Incentive Fund Program.

Amendment No. 27: Deletes language proposed by the House prohibiting the use of funds to carry out a study on the Puerto Rico Center for Cultural and Technical Interchange.

Amendment No. 28: Changes section number.

Amendment No. 29: Changes section number.

Amendment No. 30: Deletes language proposed by the House prohibiting the use of

funds for contracts with any organization that has hired a former ICA employee.

Amendment No. 31: Reported in disagreement.

Amendment No. 32: Deletes language proposed by the Senate relating to financial participation in programs by recipient nations.

Amendment No. 33: Reported in disagreement.

Amendment No. 34: Deletes language proposed by the Senate relating to the importation or reimportation of firearms into the United States.

Amendment No. 35: Reported in disagreement.

TITLE II—RYUKYU ISLANDS, ADMINISTRATION

Amendment No. 36: Authorizes not to exceed \$3,000 for contingencies as proposed by the House instead of \$4,000 as proposed by the Senate.

Amendment No. 37: Appropriates \$6,000,000 for expenses instead of \$5,250,000 as proposed by the House and \$7,704,000 as proposed by the Senate. The conferees are in agreement that within the increased funds allowed primary emphasis should be placed on health and schools.

Amendment No. 38: Authorizes not to exceed \$1,633,000 for administrative and information expenses as proposed by the House instead of \$1,744,000 as proposed by the Senate.

TITLE III—EXPORT-IMPORT BANK

Amendment No. 39: Reported in disagreement.

OTTO E. PASSMAN,
J. VAUGHN GARY,
CLARENCE CANNON,
JOHN TABER,
GERALD R. FORD, Jr.
(except as to
amendments
Nos. 2, 7, and
13),

Managers on the Part of the House.

COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the House conferees have until midnight tonight to file a conference report on the bill H.R. 12580.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 2165)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12580) to extend and improve coverage under the Federal Old-Age, Survivors, and Disability Insurance System and to remove hardships and inequities, improve the financing of the trust funds, and provide disability benefits to additional individuals under such system; to provide grants to States for medical care for aged individuals of low income; to amend the public assistance and maternal and child welfare provisions of the Social Security Act; to improve the unemployment compensation provisions of such Act; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 21, 23, 24, 25, 26, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 41, 45, 46, 48, 49, 51, 52, 53, 54, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 83, 84, 85, 86, 87, 88, 89, 100, and 101.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 8, 9, 11, 13, 16, 17, 18, 19, 20, 38, 39, 40, 91, 92, 93, 94, 95, 97, 98, 99, 102, 103, 104, and 105, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"TABLE OF CONTENTS

"Title I—Coverage

"Sec. 101. Extension of time for ministers to elect coverage.

"Sec. 102. State and local governmental employees.

"(a) Delegation by Governor of certification functions.

"(b) Employees transferred from one retirement system to another.

"(c) Retroactive coverage.

"(d) Policemen and firemen.

"(e) Limitation on States' liability for employer (and employee) contributions in certain cases.

"(f) Statute of limitations for State and local coverage.

"(g) Municipal and county hospitals.

"(h) Validation of coverage for certain Mississippi teachers.

"(i) Justices of the peace and constables in the State of Nebraska.

"(j) Teachers in the State of Maine.

"(k) Certain employees in the State of California.

"(l) Inclusion of Texas among States which are permitted to divide their retirement systems into two parts for purposes of obtaining social security coverage under Federal-State agreement.

"Sec. 103. Extension of the program to Guam and American Samoa.

"Sec. 104. Service of parent for son or daughter.

"Sec. 105. Employees of nonprofit organizations.

"Sec. 106. American citizen employees of foreign governments and international organizations.

"Title II—Eligibility for Benefits

"Sec. 201. Children born or adopted after onset of parent's disability.

"Sec. 202. Continued dependency of stepchild on natural father.

"Sec. 203. Payment of burial expenses.

"Sec. 204. Fully insured status.

"Sec. 205. Survivors of individuals who died prior to 1940 and of certain other individuals.

"Sec. 206. Crediting of quarters of coverage for years before 1951.

"Sec. 207. Time needed to acquire status of wife, child, or husband in certain cases.

"Sec. 208. Marriages subject to legal impediment.

"Sec. 209. Penalty deductions under foreign work test.

"Sec. 210. Extension of filing period for husband's, widower's, or parent's benefits in certain cases.

"Sec. 211. Increase in the earned income limitation.

"Title III—Benefit Amounts

"Sec. 301. Increase in insurance benefits of children of deceased workers.

"Sec. 302. Maximum family benefits in certain cases.

"Sec. 303. Computations and recomputations of primary insurance amounts.

"Sec. 304. Elimination of certain obsolete recomputations.

"Title IV—Disability Insurance Benefits and the Disability Freeze

"Sec. 401. Elimination of requirement of attainment of age fifty for disability insurance benefits.

"Sec. 402. Elimination of the waiting period for disability insurance benefits in certain cases.

"Sec. 403. Period of trial work by disabled individual.

"Sec. 404. Special insured status test in certain cases for disability purposes.

"Title V—Employment Security

"Part 1—Short Title

"Sec. 501. Short title.

"Part 2—Employment Security Administrative Financing Amendments

"Sec. 521. Amendment of title IX of the Social Security Act.

Sec. 901. Employment security administration account.

Sec. 902. Transfers between Federal unemployment account and employment security administration account.

Sec. 903. Amounts transferred to State accounts.

Sec. 904. Unemployment Trust Fund.

"Sec. 522. Amendment of title XII of the Social Security Act.

Sec. 1201. Advances to State unemployment funds.

Sec. 1202. Repayment by State of advances to State unemployment funds.

Sec. 1203. Advances to Federal unemployment account.

Sec. 1204. Definition of Governor.

"Sec. 523. Amendments to the Federal Unemployment Tax Act.

"Sec. 524. Conforming amendments.

"Part 3—Extension of Coverage Under Unemployment Compensation Program

"Sec. 531. Federal instrumentalities.

"Sec. 532. American aircraft.

"Sec. 533. Feeder organizations, etc.

"Sec. 534. Fraternal beneficiary societies, agricultural organizations, voluntary employees' beneficiary associations, etc.

"Sec. 535. Effective date.

"Part 4—Extension of Federal-State Unemployment Compensation Program to Puerto Rico

"Sec. 541. Extension of titles III, IX, and XII of the Social Security Act.

"Sec. 542. Federal employees and ex-servicemen.

"Sec. 543. Extension of Federal Unemployment Tax Act.

"Title VI—Medical Services for the Aged

"Sec. 601. Amendments to title I of the Social Security Act.

"Sec. 602. Increase in limitations on assistance payment to Puerto Rico, the Virgin Islands, and Guam.

"Sec. 603. Technical amendment.

"Sec. 604. Effective dates.

"Title VII—Miscellaneous

"Sec. 701. Investment of Trust Funds.

"Sec. 702. Survival of actions.

"Sec. 703. Periods of limitation ending on nonwork days.

"Sec. 704. Advisory Council on Social Security Financing.

"Sec. 705. Medical care guides and reports for public assistance and medical assistance for the aged.

"Sec. 706. Temporary extension of certain special provisions relating to State plans for aid to the blind.

"Sec. 707. Maternal and child welfare.

"Sec. 708. Amendment preserving relationship between railroad retirement and old-age, survivors, and disability insurance.

"Sec. 709. Meaning of term 'Secretary'.

"Sec. 709. Meaning of term 'Secretary'.

"Sec. 710. Aid to the blind."

And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with amendments as follows: Omit the matter proposed to be inserted by the Senate amendment, restore the matter proposed to be stricken out by the Senate amendment, and on page 15 of the House engrossed bill strike out lines 11 through 15 and insert the following: "wages paid before (i) January 1, 1957, in the case of an agreement or modification which is mailed or delivered by other means to the Secretary before January 1, 1962, or (ii) the first day of the year in which the agreement or modification is mailed or delivered by other means to the Secretary, in the case of an agreement or modification which is so mailed or delivered on or after January 1, 1962.""; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Certain Employees in the State of California

"(k) Notwithstanding any provision of section 218 of the Social Security Act, the agreement with the State of California heretofore entered into pursuant to such section may at the option of such State be modified, at any time prior to 1962, pursuant to subsection (c) (4) of such section 218, so as to apply to services performed by any individual who, on or after January 1, 1957, and on or before December 31, 1959, was employed by such State (or any political subdivision thereof) in any hospital employee's position which, on September 1, 1954, was covered by a retirement system, but which, prior to 1960, was removed from coverage by such retirement system if, prior to July 1, 1960, there have been paid in good faith to the Secretary of the Treasury, with respect to any of the services performed by such individual in any such position, amounts equivalent to the sum of the taxes which would have been imposed by sections 3101 and 3111 of the Internal Revenue Code of 1954 if such services had constituted employment for purposes of chapter 21 of such Code at the time they were performed. Notwithstanding the provisions of subsection (f) of such section 218, such modification shall be effective with respect to (1) all services performed by such individual in any such position on or after January 1, 1960, and (2) all such services, performed before such date, with respect to which amounts equivalent to such taxes have, prior to the date of enactment of this subsection, been paid."

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with amendments as follows: Restore the matter proposed to be stricken out by the Senate amendment, and—

On page 28, line 4, of the House engrossed bill, strike out the comma after "Puerto Rico".

On page 30, line 4, of the House engrossed bill, strike out "a semicolon" and insert "; or".

On page 30, line 12, of the House engrossed bill, strike out "; or" and insert a period.

On page 35, line 25, of the House engrossed bill, strike out "a semicolon" and insert "; or".

On page 36, line 8, of the House engrossed bill, strike out "; or" and insert a period.

And the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with amendments as follows: Restore the matter proposed to be stricken out by the Senate amendment, and on page 48, line 5, of the House engrossed bill, strike out "105" and insert the following: "104"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "105"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "106"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with amendments as follows: Restore the matter proposed to be stricken out by the Senate amendment, and in the House engrossed bill, beginning with page 59, line 22, strike out all through line 23 on page 60; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "three"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "three"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "three"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with amendments as follows: Omit the matter proposed to be inserted by the Senate amendment, restore the matter proposed to be stricken out by the Senate amendment, and—

On page 78 of the House engrossed bill, strike out lines 19 through 21 and insert the following:

"Sec. 209. (a) The subsection of section 203 of the Social Security Act redesignated as subsection (g) by section 211(c) of this Act is amended by striking out '(b) or (c)' wherever it appears and inserting in lieu thereof '(c)'; and by striking out '(other than an event specified in subsection (b) (1) or (c) (1))'."

On page 79, line 1, of the House engrossed bill, after "Act", insert the following: ", as in effect prior to such date"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree

to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"INCREASE IN THE EARNED INCOME LIMITATION

"Sec. 211. (a) Subsection (b) of section 203 of the Social Security Act is amended to read as follows:

"*Deductions on account of work*

"(b) Deductions, in such amounts and at such time or times as the Secretary shall determine, shall be made from any payment or payments under this title to which an individual is entitled, and from any payment or payments to which any other persons are entitled on the basis of such individual's wages and self-employment income, until the total of such deductions equals—

"(1) such individual's benefit or benefits under section 202 for any month, and

"(2) if such individual was entitled to old-age insurance benefits under section 202(a) for such month, the benefit or benefits of all other persons for such month under section 202 based on such individual's wages and self-employment income,

if for such month he is charged with excess earnings, under the provisions of subsection (f) of this section, equal to the total of benefits referred to in clauses (1) and (2). If the excess earnings so charged are less than such total of benefits, such deductions with respect to such month shall be equal only to the amount of such excess earnings. If a child who has attained the age of 18 and is entitled to child's insurance benefits, or a person who is entitled to mother's insurance benefits, is married to an individual entitled to old-age insurance benefits under section 202(a), such child or such person, as the case may be, shall, for the purposes of this subsection and subsection (f), be deemed to be entitled to such benefits on the basis of the wages and self-employment income of such individual entitled to old-age insurance benefits. If a deduction has already been made under this subsection with respect to a person's benefit or benefits under section 202 for a month, he shall be deemed entitled to payments under such section for such month for purposes of further deductions under this subsection, and for purposes of charging of each person's excess earnings under subsection (f), only to the extent of the total of his benefits remaining after such earlier deductions have been made. For purposes of this subsection and subsection (f)—

"(A) an individual shall be deemed to be entitled to payments under section 202 equal to the amount of the benefit or benefits to which he is entitled under such section after the application of subsection (a) of this section, but without the application of the penultimate sentence thereof; and

"(B) if a deduction is made with respect to an individual's benefit or benefits under section 202 because of the occurrence in any month of an event specified in subsection (c) or (d) of this section or in section 222(b), such individual shall not be considered to be entitled to any benefits under such section 202 for such month."

"(b) Subsection (c) of section 203 of such Act is amended to read as follows:

"*Deductions on account of noncovered work outside the United States or failure to have child in care*

"(c) Deductions, in such amounts and at such time or times as the Secretary shall determine, shall be made from any payment or payments under this title to which an individual is entitled, until the total of such deductions equals such individual's benefit or benefits under section 202 for any month—

"(1) in which such individual is under the age of seventy-two and on seven or more different calendar days of which he engaged

in noncovered remunerative activity outside the United States; or

"(2) in which such individual, if a wife under age sixty-five entitled to a wife's insurance benefit, did not have in her care (individually or jointly with her husband) a child of her husband entitled to a child's insurance benefit and such wife's insurance benefit for such month was not reduced under the provisions of section 202(q); or

"(3) in which such individual, if a widow entitled to a mother's insurance benefit, did not have in her care a child of her deceased husband entitled to a child's insurance benefit; or

"(4) in which such individual, if a former wife divorced entitled to a mother's insurance benefit, did not have in her care a child of her deceased former husband who (A) is her son, daughter, or legally adopted child and (B) is entitled to a child's insurance benefit on the basis of the wages and self-employment income of her deceased former husband.

For purposes of paragraphs (2), (3), and (4) of this subsection, a child shall not be considered to be entitled to a child's insurance benefit for any month in which an event specified in section 222(b) occurs with respect to such child. No deduction shall be made under this subsection from any child's insurance benefit for the month in which the child entitled to such benefit attained the age of eighteen or any subsequent month."

(c) Section 203 of such Act is amended by redesignating subsections (d), (e), (f), (g), and (h) as subsections (e), (f), (g), (h), and (i), respectively, and by inserting after subsection (c) the following new subsection:

"Deductions from dependents' benefits on account of noncovered work outside the United States by old-age insurance beneficiary

"(d) (1) Deductions shall be made from any wife's, husband's, or child's insurance benefit, based on the wages and self-employment income of an individual entitled to old-age insurance benefits, to which a wife, husband, or child is entitled, until the total of such deductions equals such wife's, husband's, or child's insurance benefit or benefits under section 202 for any month in which such individual is under the age of seventy-two and on seven or more different calendar days of which he engaged in noncovered remunerative activity outside the United States.

"(2) Deductions shall be made from any child's insurance benefit to which a child who has attained the age of eighteen is entitled, or from any mother's insurance benefit to which a person is entitled, until the total of such deductions equals such child's insurance benefit or benefits or mother's insurance benefit or benefits under section 202 for any month in which such child or person entitled to mother's insurance benefits is married to an individual who is entitled to old-age insurance benefits and on seven or more different calendar days of which such individual engaged in noncovered remunerative activity outside the United States."

"(d) The subsection of section 203 of such Act redesignated as subsection (e) by subsection (c) of this section is amended to read as follows:

"Occurrence of more than one event

"(e) If more than one of the events specified in subsections (c) and (d) and section 222(b) occurs in any one month which would occasion deductions equal to a benefit for such month, only an amount equal to such benefit shall be deducted."

"(e) The subsection of section 203 of such Act redesignated as subsection (f) by subsection (c) of this section is amended to read as follows:

"Months to which earnings are charged

"(f) For purposes of subsection (b)—

"(1) The amount of an individual's excess earnings (as defined in paragraph (3)) shall be charged to months as follows: There shall be charged to the first month of such taxable year an amount of his excess earnings equal to the sum of the payments to which he and all other persons are entitled for such month under section 202 on the basis of his wages and self-employment income (or the total of his excess earnings if such excess earnings are less than such sum), and the balance, if any, of such excess earnings shall be charged to each succeeding month in such year to the extent, in the case of each such month, of the sum of the payments to which such individual and all other persons are entitled for such month under section 202 on the basis of his wages and self-employment income, until the total of such excess has been so charged. Where an individual is entitled to benefits under section 202(a) and other persons are entitled to benefits under section 202 (b), (c), or (d) on the basis of the wages and self-employment income of such individual, the excess earnings of such individual for any taxable year shall be charged in accordance with the provisions of this subsection before the excess earnings of such persons for a taxable year are charged to months in such individual's taxable year. Notwithstanding the preceding provisions of this paragraph, no part of the excess earnings of an individual shall be charged to any month (A) for which such individual was not entitled to a benefit under this title, (B) in which such individual was, age seventy-two or over, (C) in which such individual, if a child entitled to child's insurance benefits, has attained the age of 18, or (D) in which such individual did not engage in self-employment and did not render services for wages (determined as provided in paragraph (5) of this subsection) of more than \$100.

"(2) As used in paragraph (1), the term 'first month of such taxable year' means the earliest month in such year to which the charging of excess earnings described in such paragraph is not prohibited by the application of clauses (A), (B), (C), and (D) thereof.

"(3) For purposes of paragraph (1) and subsection (h), an individual's excess earnings for a taxable year shall be his earnings for such year in excess of the product of \$100 multiplied by the number of months in such year, except that of the first \$300 of such excess (or all of such excess if it is less than \$300), an amount equal to one-half thereof shall not be included. The excess earnings as derived under the preceding sentence, if not a multiple of \$1, shall be reduced to the next lower multiple of \$1.

"(4) For purposes of clause (D) of paragraph (1)—

"(A) An individual will be presumed, with respect to any month, to have been engaged in self-employment in such month until it is shown to the satisfaction of the Secretary that such individual rendered no substantial services in such month with respect to any trade or business the net income or loss of which is includible in computing (as provided in paragraph (5) of this subsection) his net earnings or net loss from self-employment for any taxable year. The Secretary shall by regulations prescribe the methods and criteria for determining whether or not an individual has rendered substantial services with respect to any trade or business.

"(B) An individual will be presumed, with respect to any month, to have rendered services for wages (determined as provided in paragraph (5) of this subsection) of more than \$100 until it is shown to the satisfaction of the Secretary that such individual

did not render such services in such month for more than such amount.

"(5) (A) An individual's earnings for a taxable year shall be (1) the sum of his wages for services rendered in such year and his net earnings from self-employment for such year, minus (1) any net loss from self-employment for such year.

"(B) In determining an individual's net earnings from self-employment and his net loss from self-employment for purposes of subparagraph (A) of this paragraph and paragraph (4), the provisions of section 211, other than paragraphs (1), (4), and (5) of subsection (c), shall be applicable; and any excess of income over deductions resulting from such a computation shall be his net earnings from self-employment and any excess of deductions over income so resulting shall be his net loss from self-employment.

"(C) For purposes of this subsection, an individual's wages shall be computed without regard to the limitations as to amounts of remuneration specified in subsections (a), (g) (2), (g) (3), (h) (2), and (j) of section 209; and in making such computation services which do not constitute employment as defined in section 210, performed within the United States by the individual as an employee or performed outside the United States in the active military or naval service of the United States, shall be deemed to be employment as so defined if the remuneration for such services is not includible in computing his net earnings or net loss from self-employment.

"(6) For purposes of this subsection, wages (determined as provided in paragraph (5) (C)) which, according to reports received by the Secretary, are paid to an individual during a taxable year shall be presumed to have been paid to him for services performed in such year until it is shown to the satisfaction of the Secretary that they were paid for services performed in another taxable year. If such reports with respect to an individual show his wages for a calendar year, such individual's taxable year shall be presumed to be a calendar year for purposes of this subsection until it is shown to the satisfaction of the Secretary that his taxable year is not a calendar year.

"(7) Where an individual's excess earnings are charged to a month and the excess earnings so charged are less than the total of the payments (without regard to such charging) to which all persons are entitled under section 202 for such month on the basis of his wages and self-employment income, the difference between such total and the excess so charged to such month shall be paid (if it is otherwise payable under this title) to such individual and other persons in the proportion that the benefit to which each of them is entitled (without regard to such charging, without the application of section 202(k) (3), and prior to the application of section 203(a)) bears to the total of the benefits to which all of them are entitled."

"(f) The subsection of section 203 of such Act redesignated as subsection (h) by subsection (c) of this section is amended (1) by striking out 'paragraph (4) of subsection (e)' wherever it appears and inserting in lieu thereof 'paragraph (5) of subsection (f)', (2) by striking out in subparagraph (B) of paragraph (1) 'paragraph (3) of subsection (g)' and inserting in lieu thereof 'paragraph (3) of this subsection', (3) by striking out '(b) (1)' wherever it appears and inserting in lieu thereof '(b)', and (4) by striking out in paragraph (3) 'suspend the payment' and insert in lieu thereof 'suspend the total or less than the total payment'.

"(g) The subsection of section 203 of such Act redesignated as subsection (i) by subsection (c) of this section is amended by striking out 'subsection (b), (f), or (g) of this section' and inserting in lieu thereof 'subsection (b), (c), (g), or (h) of this section'.

"(h) Subsection (1) of section 203 of such Act is amended by striking out 'subsection (f) or (g)(1)(A)' and inserting in lieu thereof 'subsection (g) or (h)(1)(A)'."

"(i) The last sentence of section 202(n)(1) of such Act is amended by striking out 'section 203 (b) and (c)' and inserting in lieu thereof 'section 203 (b), (c), and (d)'."

"(j) (1) Clause (A) of section 202(q)(5) of such Act is amended by striking out 'paragraph (1) or (2) of' and by inserting before the comma at the end thereof 'or paragraph (1) of section 203(c)'."

"(2) Clause (B) of such section 202(q)(5) is amended by striking out 'paragraph (1) or (2) of section 203(b), under section 203(c)' and inserting in lieu thereof 'section 203(b), under section 203(c)(1), under section 203(d)(1)'."

"(k) (1) Clause (A) of section 202(q)(6) of such Act is amended by striking out 'section 203(b)(1) or (2), under section 203(c)' and inserting in lieu thereof 'section 203(b), under section 203(c)(1), under section 203(d)(1)'."

"(2) Clause (D) of such section 202(q)(6) is amended by striking out 'paragraph (1) or (2) of' and by inserting immediately before the period 'or paragraph (1) of section 203(c)'."

"(1) Section 202(b)(7) of such Act is amended by striking out 'subsections (b) and (c) of section 203' and inserting in lieu thereof 'subsections (b), (c), and (d) of section 203'."

"(m) Section 208(a)(3) of such Act is amended by striking out 'section 203(e)' and inserting in lieu thereof 'section 203(f)'."

"(n) Section 215(g) of such Act is amended by striking out '203(a)' and inserting in lieu thereof '203(a) and deductions under section 203(b)'."

"(o) (1) Section 3(e) of the Railroad Retirement Act of 1937 is amended by striking out 'subsections (f) and (g)(2) of section 203 of the Social Security Act' and inserting in lieu thereof 'subsections (g) and (h)(2) of section 203 of the Social Security Act'."

"(2) Section 5(i)(1)(ii) of the Railroad Retirement Act of 1937 is amended—

"(A) by striking out 'section 203(e)' each place it appears and inserting in lieu thereof 'section 203(f)';

"(B) by striking out 'section 203(g)(3)' and inserting in lieu thereof 'section 203(h)(3)'; and

"(C) by striking out 'earnings' each place it appears and inserting in lieu thereof 'excess earnings'."

"(p) Section 203 (c), (d), (e), (g), and (i) of the Social Security Act as amended by this Act shall be effective with respect to monthly benefits for months after December 1960."

"(q) Section 203 (b), (f), and (h) of the Social Security Act as amended by this Act shall be effective with respect to taxable years beginning after December 1960."

"(r) Section 203(1) of the Social Security Act as amended by this Act, to the extent that it applies to section 203(g) of the Social Security Act as amended by this Act, shall be effective with respect to monthly benefits for months after December 1960 and, to the extent that it applies to section 203(h)(1)(A) of the Social Security Act as amended by this Act, shall be effective with respect to taxable years beginning after December 1960."

"(s) The amendments made by subsections (1), (j), (k), (l), (m), (n), and (o) of this section, to the extent that they make changes in references to provisions of section 203 of the Social Security Act, shall take effect in the manner provided in subsections (p) and (q) of this section for the provisions of such section 203 to which the respective references so changed relate."

"(t) In any case where—

"(1) an individual has earnings (as defined in section 203(e)(4) of the Social Security Act as in effect prior to the enactment

of this Act) in a taxable year which begins before 1961 and ends in 1961 (but not on December 31, 1961), and

"(2) such individual's spouse or child entitled to monthly benefits on the basis of such individual's self-employment income has excess earnings (as defined in section 203(f)(3) of the Social Security Act as amended by this Act) in a taxable year which begins after 1960, and

"(3) one or more months in the taxable years specified in paragraph (2) are included in the taxable year specified in paragraph (1), then, if a deduction is imposed against the benefits payable to such individual with respect to a month described in paragraph (3), such spouse or child, as the case may be, shall not, for purposes of subsections (b) and (f) of section 203 of the Social Security Act as amended by this Act, be entitled to a payment for such month."

And the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with amendments as follows: Omit the matter proposed to be inserted by the Senate amendment, restore the matter proposed to be stricken out by the Senate amendment, and on page 93, line 14, of the House engrossed bill, insert quotation marks after the period; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with amendments as follows: Restore the matter proposed to be stricken out by the Senate amendment, and on page 146 of the House engrossed bill, after line 10, insert the following:

"(g) Notwithstanding section 203(b) of the Farm Credit Act of 1959, sections 3305(b), 3306(c)(6), and 3308 of the Internal Revenue Code of 1954 and sections 1501(a) and 1507(a) of the Social Security Act shall be applicable, according to their terms, to the Federal land banks, Federal intermediate credit banks, and banks for cooperatives."

And the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with amendments as follows: Omit the matter proposed to be inserted by the Senate amendment, restore the matter proposed to be stricken out by the Senate amendment, and on page 153 of the House engrossed bill, after line 25, insert the following:

"(c) Effective on and after January 1, 1961, section 5(b) of the Act of June 6, 1933, as amended (29 U.S.C., sec. 49d(b)), is amended by striking out 'Puerto Rico, Guam,' and inserting in lieu thereof 'Guam.'"

And the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with amendments, as follows: On page 43 of the Senate engrossed amendments, strike out lines 10, 11, and 12, and insert:

"(2) provide for financial participation by the State;"

On page 44 of the Senate engrossed amendments, after line 18, insert:

"(9) provide, if the plan includes assistance for or on behalf of individuals in private or public institutions, for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for such institutions;"

On page 44, line 19, of the Senate engrossed amendments, strike out "(9)" and insert "(10)".

On page 44, line 24, of the Senate engrossed amendments, strike out "provide" and insert "include".

On page 45, line 2, of the Senate engrossed amendments, after "assistance;" insert "and".

On page 45, line 9, of the Senate engrossed amendments, after "services;" insert "and".

On page 45 of the Senate engrossed amendments, strike out line 10 and all that follows through line 15.

On page 46, line 7, of the Senate engrossed amendments, after "assistance;" insert "and".

On page 47 of the Senate engrossed amendments, line 11, strike out the quotation marks and after line 11 insert:

"(c) Nothing in this title shall be construed to permit a State to have in effect with respect to any period more than one State plan approved under this title."

On page 50 of the Senate engrossed amendments, line 23, insert before the semicolon "(including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof)".

On page 51 of the Senate engrossed amendments, strike out lines 15 through 19 and insert:

"(f) (1) Section 6 of such Act is amended by striking out 'but does not include' and all that follows and inserting in lieu thereof 'but does not include—

"(1) any such payments to or care in behalf of any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases, or

"(2) any such payments to any individual who has been diagnosed as having tuberculosis or psychosis and is a patient in a medical institution as a result thereof, or

"(3) any such care in behalf of any individual, who is a patient in a medical institution as a result of a diagnosis that he has tuberculosis or psychosis, with respect to any period after the individual has been a patient in such an institution, as a result of such diagnosis, for forty-two days."

On page 52 of the Senate engrossed amendments, strike out lines 19 through 22 and insert "except that such term does not include any such payments with respect to—

"(A) care or services for any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases; or

"(B) care or services for any individual, who is a patient in a medical institution, as a result of a diagnosis of tuberculosis or psychosis, with respect to any period after the individual has been a patient in such an institution, as a result of such diagnosis, for forty-two days."

And the Senate agree to the same.

Amendment numbered 106: That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with amendments as follows: Omit the matter proposed to be stricken out by the Senate amendment, insert the matter proposed to be inserted by the Senate amendment, and on page 181 of the House engrossed bill strike out lines 8 through 10 and insert the following:

"(B) Section 522(a) of such Act is amended by striking out 'such portion of \$60,000' and inserting in lieu thereof '\$50,000 or, if greater, such portion of \$70,000'."

And the Senate agree to the same.

Amendment numbered 107: That the House recede from its disagreement to the amendment of the Senate numbered 107, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"AID TO THE BLIND"

"SEC. 710. (a) Effective for the period beginning with the first day of the calendar quarter which begins after the date of enactment of this Act, and ending with the close of June 30, 1962, clause (8) of section 1002(a) of the Social Security Act is amended to read as follows: '(8) provide that the State agency shall, in determining need, take into consideration any other income and resources of the individual claiming aid to the blind; except that, in making such determination, the State agency shall disregard either (i) the first \$50 per month of earned income, or (ii) the first \$85 per month of earned income plus one-half of earned income in excess of \$85 per month;'

"(b) Effective July 1, 1962, clause (8) of such section 1002(a) is amended to read as follows: '(8) provide that the State agency shall, in determining need, take into consideration any other income and resources of the individual claiming aid to the blind; except that, in making such determination, the State agency shall disregard the first \$85 per month of earned income, plus one-half of earned income in excess of \$85 per month;'

And the Senate agree to the same.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
THOMAS J. O'BRIEN,
N. M. MASON,
JOHN W. BYRNES,
HOWARD H. BAKER,

Managers on the Part of the House.

HARRY F. BYRD,
ROBERT S. KERR,
J. ALLEN FREAR,
JOHN J. WILLIAMS,
FRANK CARLSON,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12580) to extend and improve coverage under the Federal Old-Age, Survivors, and Disability Insurance System and to remove hardships and inequities, improve the financing of the trust funds, and provide disability benefits to additional individuals under such system; to provide grants to States for medical care for aged individuals of low income; to amend the public assistance and maternal and child welfare provisions of the Social Security Act; to improve the unemployment compensation provisions of such Act; and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The following Senate amendments made technical, clerical, clarifying, or conforming changes: 1, 2, 4, 5, 6, 15, 17, 18, 19, 20, 21, 22, 23, 25, 28, 29, 30, 32, 33, 34, 35, 36, 37, 38, 39, 41, 43, 44, 46, 47, 48, 52, 53, 54, 55, 56, 92, 94, 95, 98, 100, 102, 103, 104, and 105. With respect to these amendments (1) the House either recedes or recedes with amendments which are technical, clerical, clarifying, or conforming in nature, or (2) the Senate recedes in order to conform to other action agreed upon by the committee of conference.

EXTENSION OF TIME FOR MINISTERS TO ELECT COVERAGE

Amendment No. 3: The Senate amendment added to section 101(b) of the House bill a new provision amending section 1402(e)(3) of the Internal Revenue Code of 1954. It would under certain conditions permit a minister who, before the enactment of the amendment, had filed a certificate electing to be covered under the old-age, survi-

vors, and disability insurance program effective beginning with his first taxable year ending after 1956, to file a supplemental certificate making the original certificate effective beginning with his first taxable year ending after 1955. The House recedes.

LIMITATION ON STATES' LIABILITY UNDER COVERAGE AGREEMENT IN CERTAIN CASES

Amendment No. 7: Section 102(e) of the House bill amended section 218(e) of the Social Security Act so as to permit a coverage agreement between the Secretary and a State to treat the wages of an individual who during the course of a year is an employee both of the State and a political subdivision or subdivisions, or of more than one subdivision, as though such wages had been paid to him by a single employer, in order to limit the State's liability for employer contributions on such individual's wages to the maximum amount (presently \$4,800 a year) creditable for old-age, survivors, and disability insurance purposes, provided the State has borne the entire cost of such contributions and is not reimbursed; but these new provisions could not be made applicable with respect to wages paid before the year in which the Secretary receives the agreement or modification which makes them effective (and in no case with respect to wages paid before 1961). The Senate amendment permitted these new provisions to be made applicable with respect to wages paid on or after January 1, 1957, or January 1 of the third year preceding the year in which the agreement or modification is delivered to the Secretary, whichever is later. The House recedes with an amendment under which the new provisions can be made applicable with respect to wages paid on or after January 1, 1957, if the agreement or modification is delivered to the Secretary before 1962, but only with respect to wages paid on or after the first day of the year in which the agreement or modification is delivered to the Secretary (as provided in the House bill) if the agreement or modification is delivered to the Secretary after 1961.

JUSTICES OF THE PEACE AND CONSTABLES IN NEBRASKA

Amendment No. 8: This amendment added to section 102 of the House bill a new subsection (i), which would permit the State of Nebraska to modify its coverage agreement with the Secretary of Health, Education, and Welfare under section 218 of the Social Security Act to remove from coverage justices of the peace and constables paid on a fee basis. The House recedes.

TEACHERS IN MAINE

Amendment No. 9: This amendment added to section 102 of the House bill a new subsection (j), which would extend from July 1, 1960, to July 1, 1961, the period during which the State of Maine is permitted (under section 316 of the Social Security Amendments of 1958) to treat teaching and nonteaching employess as being covered by separate retirement systems for purposes of extending old-age, survivors, and disability insurance coverage to such employees. The House recedes.

CERTAIN EMPLOYEES IN CALIFORNIA

Amendment No. 10: This amendment added to section 102 of the House bill a new subsection (k), which would permit the State of California, at any time prior to 1962, to modify its coverage agreement with the Secretary of Health, Education, and Welfare under section 218 of the Social Security Act to extend old-age, survivors, and disability insurance coverage to certain employees of State and local hospitals in California who have been removed from coverage under a State or local retirement system. The House recedes with a technical amendment.

ADDITION OF TEXAS TO LIST OF STATES ELIGIBLE TO SPLIT RETIREMENT SYSTEMS

Amendment No. 11: This amendment added to section 102 of the House bill a new subsection (l), which would add the State of Texas to the list of States which are permitted (under section 218(d)(6)(C) of the Social Security Act) to divide a retirement system into two parts for purposes of obtaining old-age, survivors, and disability insurance coverage for only those employees in the system who desire it. The House recedes.

EXTENSION OF COVERAGE TO GUAM AND AMERICAN SAMOA

Amendment No. 12: Section 103 of the House bill extensively amended title II of the Social Security Act, the Internal Revenue Code of 1954, and related laws so as to extend coverage under the old-age, survivors, and disability insurance program to employees and self-employed individuals in Guam and American Samoa and to provide for the effective administration of the program as so extended. The Senate amendment deleted this section of the House bill. The conference agreement provides (with technical amendments) for the extension of coverage under the program to Guam and American Samoa as contained in the House bill.

DOCTORS OF MEDICINE

Amendment No. 13: Section 104 of the House bill amended section 211(c) of the Social Security Act and section 1402(c) of the Internal Revenue Code of 1954 so as to extend coverage under the old-age, survivors, and disability insurance system to earnings derived by self-employed doctors from the practice of medicine. It also amended section 210(a) of the Social Security Act and section 3121(b) of the Internal Revenue Code of 1954 to extend coverage to services performed by medical and dental interns in the same manner as for other employees of training schools and hospitals for which they are employed. The Senate amendment deleted this provision of the House bill, thereby continuing in effect the present exclusions from coverage of self-employed physicians and interns. The House recedes.

SERVICE OF PARENT FOR SON OR DAUGHTER

Amendment No. 14: Section 105 of the House bill amended section 210(a)(3) of the Social Security Act and section 3121(b)(3) of the Internal Revenue Code of 1954 so as to provide coverage under the old-age, survivors, and disability insurance program for service (other than domestic service or casual labor) performed by an individual in the employ of his son or daughter. The Senate amendment deleted this section of the House bill. The conference agreement (with a technical amendment) follows the House bill and extends coverage to individuals performing service of this type.

EMPLOYEES OF CERTAIN LABOR ORGANIZATIONS IN THE CANAL ZONE

Amendment No. 16: Section 106 (d) of the House bill amended section 210(e) of the Social Security Act and section 3121(h) of the Internal Revenue Code of 1954 so as to include in the definition of "American employer" certain tax-exempt labor organizations created or organized in the Canal Zone, if they are chartered by labor organizations created or organized in the United States. This provision of the House bill would have extended coverage to service performed outside the United States by United States citizens in the employ of such organizations. The provision would also have permitted the validation of certain remuneration erroneously reported by an organization which qualifies as an "American employer" under the provision. The Senate amendment deleted this provision of the House bill. The House recedes.

AMERICAN CITIZEN EMPLOYEES OF FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS

Amendments Nos. 24 and 26: Section 107 of the House bill amended section 211(c) (2) of the Social Security Act and section 1402 (c) (2) of the Internal Revenue Code of 1954 in order to provide coverage as self-employed individuals for American citizen employees of foreign governments, wholly owned foreign government instrumentalities, and international organizations. The Senate amendment deleted the provisions of this section which extended such coverage to employees of international organizations. The Senate recedes.

DOMESTIC SERVICE AND CASUAL LABOR

Amendments Nos. 27 and 31: Section 108 of the House bill reduced from \$50 to \$25 the amount of cash wages which an individual must receive in a calendar quarter for domestic service in a private home or for service not in the course of the employer's trade or business in order to be covered under the old-age, survivors, and disability insurance program, and excluded from coverage all earnings in such domestic service and casual labor performed by persons who are under age 16. The Senate amendment deleted the provision reducing the cash wage requirement. The House recedes with an amendment deleting the provision excluding earnings in such domestic service and casual labor performed by persons who are under age 16.

ADOPTED CHILDREN OF DISABILITY INSURANCE BENEFICIARIES

Amendment No. 40: Section 201(b) of the House bill amended section 202(d) (1) of the Social Security Act so as to permit a child who was born to, was adopted by, or became a stepchild of a worker, after the worker became entitled to disability insurance benefits, to qualify for benefits; except that in the case of an adopted child the adoption must have been completed within two years of the time as of which the worker became entitled to disability insurance benefits. The Senate amendment added an additional requirement with respect to adopted children so that in order for such a child to get benefits the worker must have instituted adoption proceedings in or before the month in which his period of disability began or the child must have been living with him in such month. The House recedes.

INSURED STATUS

Amendment No. 42: Section 204(a) of the House bill amended section 214(a) of the Social Security Act to provide that a person would be a fully insured individual under the old-age, survivors, and disability insurance program if he has 1 quarter of coverage (no matter when acquired) for every 4 elapsed quarters (i.e., for every 4 quarters elapsed after December 31, 1950 (or, if later, after the year in which the person reaches age 21) and before the year in which the person died (or, if earlier, the year in which he reached retirement age)) rather than only if he has 1 quarter of coverage for each 2 elapsed quarters as under present law. Under the Senate amendment the requirement for fully insured status would have remained as in present law; that is, 1 quarter of coverage for each 2 elapsed quarters. The House recedes with an amendment providing that a person will be fully insured under the program if he has 1 quarter of coverage for each 3 elapsed quarters.

TIME NEEDED TO ACQUIRE STATUS OF WIFE, CHILD, OR HUSBAND IN CERTAIN CASES

Amendment No. 45: Section 207 of the House bill amended section 216 of the Social Security Act so as to reduce the duration-of-relationship requirements for entitlement to wife's, child's, and husband's benefits in cases where the worker is alive from 3 years to 1 year, the same as the requirement that

is presently applicable for purposes of entitlement to survivors' benefits where the worker is deceased. The Senate amendment deleted this section of the bill. The Senate recedes.

ACTUARIALLY REDUCED BENEFITS FOR MEN AT AGE 52

Amendment No. 49: The Senate amendment added to the House bill a new section (sec. 210) amending section 216(a) of the Social Security Act to reduce retirement age for men to 62 (the age already applicable in the case of women), and amending section 202(q) and other provisions of such Act to provide that where a man elects to receive his benefits before attaining age 65 such benefits will be actuarially reduced in substantially the same way as is done under present law in the case of a woman who elects to receive her old-age benefits before attaining age 65. The Senate recedes.

EARNED INCOME LIMITATION

Amendment No. 50: The Senate amendment added to the House bill a new section 211, under which the amount of yearly earnings which a beneficiary can have and still get all of his benefits for the year would be increased from \$1,200 to \$1,800; under the Senate amendment (as under existing law) the beneficiary would lose one month's benefit, regardless of its amount, for each \$80 or fraction thereof by which his earnings exceed the specified dollar limit. The House recedes with an amendment which provides as follows:

(1) if the beneficiary earns \$1,200 or less in a year, no benefits will be withheld (just as under present law),

(2) if the beneficiary earns between \$1,200 and \$1,500, 50 cents in benefits will be withheld for each \$1 of earnings above \$1,200, and

(3) if the beneficiary earns more than \$1,500, 50 cents in benefits will be withheld for each \$1 of earnings between \$1,200 and \$1,500 (\$150 withheld on account of the \$300 of earnings), and \$1 in benefits will be withheld for each \$1 of earnings above \$1,500.

Under the conference agreement, as under existing law, no benefit would be withheld in any case for any month in which the beneficiary earns \$100 or less in wages and does not engage in self-employment.

CHILDREN OF INDIVIDUALS IN LOCO PARENTIS

Amendment No. 51: The Senate amendment added to the House bill a new section (sec. 212) amending sections 216(e) (3) and 202(d) of the Social Security Act so as to permit a child with respect to whom an insured individual has stood in loco parentis for at least 5 years to qualify for child's insurance benefits on such individual's wage record even though such child is neither the natural, adopted, or stepchild of such individual. The Senate recedes.

THE UNEMPLOYMENT COMPENSATION PROGRAM

Amendments Nos. 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, and 90:

The bill as passed the House contained a number of amendments affecting the Federal-State program of employment security. These included: (1) a raise in the Federal unemployment tax rate from 3.0 percent to 3.1 percent; (2) provisions governing financing of the administrative expenses of the Federal-State employment security program; (3) improvements in the operation of the Federal unemployment account (the loan fund) by tightening the conditions pertaining to eligibility for and repayment of advances to States with depleted reserve accounts; (4) extension of coverage of the unemployment compensation program to several groups of workers; and (5) treating Puerto Rico as a State for the purposes of the unemployment compensation program.

The Senate amendments adopted only one of these changes—the one relating to eligibility for and repayment of advances. In addition, the Senate amendments provided for a larger loan fund by increasing the amount authorized to be built up in the Federal unemployment account from \$200 million to \$500 million (under the bill as passed the House the Federal unemployment account would be permitted to increase to \$550 million or, if greater, four-tenths of 1 percent of the total wages subject to contributions under all State unemployment compensation laws for the applicable calendar year).

The conference agreement contains the provisions of the bill as passed the House with two technical amendments.

MEDICAL SERVICES FOR THE AGED

Amendments Nos. 91, 96, and 99:

The House bill.—The bill as passed the House added a new title XVI to the Social Security Act for the purpose of establishing a new Federal-State grants-in-aid program to help the States assist low-income aged individuals who need assistance in meeting their medical expenses. Participation in the program would begin after June 1961, upon approval of a plan meeting the general requirements specified in the bill. Participation in the Federal-State program would be completely optional with the States, with each State determining the extent and character of its own program, including (within broad limits) standards of eligibility and scope of benefits.

Persons 65 years of age and over, whose income and resources (taking into account their other living requirements as determined by a State) are insufficient to meet the cost of their medical services, would be eligible under the program. Persons eligible to participate under this program would not include those persons participating under the other Federal-State public assistance programs.

The scope of medical benefits and services provided would be determined by the States. The Federal Government, however, would participate under the matching formula in any program providing any or all of the following services (where limits are applicable they are specified), provided both institutional and noninstitutional services are available:

- (A) Inpatient hospital services up to 120 days per year;
- (B) Skilled nursing-home services;
- (C) Physicians services;
- (D) Outpatient hospital services;
- (E) Organized home care services;
- (F) Private duty nursing services;
- (G) Therapeutic services;
- (H) Major dental treatment;
- (I) Laboratory and X-ray services up to \$200 per year;
- (J) Prescribed drugs up to \$200 per year.

The Federal Government would provide funds for payments for medical benefits under an approved State plan in accordance with an equalization formula under which the Federal share would be between 50 percent and 65 percent of the costs depending upon the per capita income of the State. This is the same matching formula which applies now on that part of the average old-age assistance payments between \$30 and \$65 a month.

The payments under this program would be made directly to providers of the medical services.

Under the House bill, contingent upon a showing of a significant improvement in their medical payment programs for old-age assistance recipients, States would get somewhat more favorable Federal matching, effective October 1960, for additional expenditures up to an average of \$5 per recipient in medical payments.

Senate amendments.—Senate amendment No. 91 strikes out the new title XVI added

to the Social Security Act by the House bill. Senate amendment No. 96 makes amendments to title I of the Social Security Act (1) to provide for increased Federal financial participation in expenditures by the States for payments to persons providing medical services to recipients of old-age assistance, and (2) to assist the States in furnishing medical assistance on behalf of aged individuals who are not recipients of old-age assistance but whose income and resources are insufficient to meet the costs of necessary medical services. Senate amendment No. 99 makes these changes in title I of the Social Security Act effective October 1, 1960.

The provisions of the Senate amendments in this area are in substance the same as the provisions contained in the accompanying conference report which are explained below, with the exceptions noted in the explanation which follows:

Conference agreement.—Under the conference agreement, section 601 of the bill amends title I of the Social Security Act so as to provide for Federal financial participation in approved State plans for old-age assistance or for medical assistance for the aged or for both old-age assistance and medical assistance for the aged. Title I of the Social Security Act now authorizes such participation only in State plans for old-age assistance.

Subsection (a) of section 601 changes the heading of title I of the Social Security Act to reflect the expansion of that title to include medical assistance for the aged.

Subsection (b) of section 601 revises sections 1 and 2 of the Social Security Act. Section 1 now states the purpose of title I of the act and authorizes appropriations therefor. Under the conference agreement this section is amended to state the additional purpose of enabling the States, as far as practicable under the conditions existing therein, to furnish medical assistance for the aged who are not recipients of old-age assistance but whose income and resources are insufficient to meet the cost of necessary medical services.

Section 2 of the Social Security Act now sets forth the conditions which a State plan for old-age assistance must meet in order to be approved by the Secretary and thereby qualify for Federal financial participation in expenditures under the plan.

Under the conference agreement section 2 contains the requirements which State plans must meet in order to qualify for Federal participation. These requirements may be divided into three categories: (a) Those which apply to both old-age assistance and medical assistance for the aged; (b) those which apply only to old-age assistance; and (c) those which apply only to medical assistance for the aged.

(a) Requirements applying to both old-age assistance and medical assistance for the aged.

A State plan must—

(1) Provide that it will be in effect in all political subdivisions and be mandatory upon those subdivisions if administered by them;

(2) Provide for financial participation by the State;

(3) Provide for establishment or designation of a single State agency to administer or supervise administration of the plan;

(4) Provide for giving claimants a fair hearing if their claims are denied or not acted upon with reasonable promptness;

(5) Provide methods of administration found necessary for the proper and efficient operation of the plan—these must include a merit system for personnel;

(6) Provide for making of necessary reports to the Secretary;

(7) Provide safeguards against use and disclosure of information concerning appli-

cants for and recipients of assistance, except for purposes directly connected with the administration of the plan;

(8) Provide all individuals wishing to do so an opportunity to apply for assistance, and provide that assistance will be furnished with reasonable promptness to those who are eligible; and

(9) Provide, if the plan includes assistance for or on behalf of individuals in private or public institutions, for the establishment or designation of a State authority or authorities to be responsible for establishing and maintaining standards for such institutions.

These conditions appear in virtually identical form and substance in the existing law, but apply only with respect to old-age assistance. In addition, these conditions appear in virtually identical form and substance in the Senate amendments, with two exceptions. The first exception is that section 2(a) (2) of the Social Security Act, as amended by the Senate amendments, reads as follows:

"(2) provide for financial participation by the State which shall, effective January 1, 1962, extend to all aspects of the State plan;"

The second exception is that the condition set forth in paragraph (9) above was, under the Senate amendments, applicable only in the case of old-age assistance; whereas, under the conference agreement it is applicable also with respect to medical assistance for the aged.

(b) Requirements applying only to old-age assistance.

A State plan must—

(1) Provide for taking into consideration any other income and resources of an individual claiming old-age assistance in determining his need therefor;

(2) Include reasonable standards, consistent with the objectives of title I of the Social Security Act, for determining the eligibility of individuals for old-age assistance and the extent of such assistance; and

(3) Provide a description of the services made available to help applicants and recipients attain self-care.

Items 1 and 3 are the same as provisions now included in section 2 of the Social Security Act. The language of item 2 is not included in existing law.

(c) Requirements applying only to medical assistance for the aged. (These requirements do not appear in existing law.)

A State plan must—

(1) Provide for inclusion of some institutional and some noninstitutional care;

(2) Prohibit enrollment fees, premiums, and similar charges as a condition of eligibility;

(3) Include provisions, to the extent required by the Secretary's regulations, for the furnishing of assistance to residents of the State who are temporarily absent therefrom;

(4) Include reasonable standards for determining eligibility for assistance and the extent of assistance which are consistent with the objectives of the amended title I; and

(5) Provide that property liens will not be imposed on account of benefits received under the plan during a recipient's lifetime (except pursuant to a court judgment on account of benefits incorrectly paid), and limit recovery of benefits correctly paid to recovery from the recipient's estate after the death of his surviving spouse, if any.

Subsection (b) of section 2 of the Social Security Act, as amended under the conference agreement, requires the Secretary of Health, Education, and Welfare to approve any State plan which fulfills the conditions specified above, except that he may not approve a plan which imposes as a condition of eligibility for assistance under the plan an age requirement of more than 65

years or a citizenship requirement which excludes any citizen of the United States. These limitations are contained in existing law. Also carried over from existing law is the prohibition of approval of a plan which, as to old-age assistance applicants, includes any residence requirement which excludes any resident of the State who has resided therein for 5 years during the 9 years immediately preceding his application and who has resided therein continuously for 1 year immediately preceding his application. A different limitation is to be applied to the residence requirements which a State, whose plan includes medical assistance for the aged, could impose as a condition of eligibility for such assistance. In the case of such a plan, approval would be prohibited if it includes any residence requirement which excludes any individual (applying for medical assistance for the aged) who resides in the State.

Subsection (c) of the new section 2 of the Social Security Act provides that nothing in the amended title I is to be construed to permit a State to have in effect with respect to any period more than one State plan approved under such title. This subsection is not contained in the Senate amendments.

Section 601(c) of the bill as agreed to in conference amends section 3(a) of the Social Security Act. This section sets forth the formula by which Federal payments to States with approved plans under title I are determined. Under the new section 3(a) a State would continue, as under existing law, to receive Federal payments equal to four-fifths of the first \$30 of its average monthly payment for each recipient (including old-age assistance in the form of cash payments to the individual and old-age assistance in the form of medical or other remedial care on his behalf) plus an amount equal to the Federal percentage (described below) of the remainder of the average monthly payment, but excluding that part in excess of \$65.

In addition, the State would receive the Federal medical percentage (described below) of the excess over the above-mentioned \$65 average monthly payment for each recipient, excluding that part of the average payment in excess of \$77; except that if a State's vendor medical care expenditures under old-age assistance for a month average less than \$12 per recipient, this \$77 would be reduced by the amount by which such expenditures are less than \$12. Thus, if a State is spending an average of \$75 per month per recipient for old-age assistance, of which \$8 is for vendor medical care, the State would receive, in addition to four-fifths of the first \$30 of its average payment plus the Federal percentage of the next \$35 thereof; the Federal medical percentage of the next \$8.

States with average monthly payments per recipient under old-age assistance of more than \$65 would, in lieu of the additional amount described in the preceding paragraph, receive 15 percent of the first \$12 of their average vendor medical care payments for each recipient if this is larger. An example of where this alternative would apply is a State with a Federal percentage (and, therefore, a Federal medical percentage) of 60 percent that is spending an average of \$66 per month per recipient for old-age assistance, of which \$12 is for vendor medical care. Such a State would receive, in addition to four-fifths of the first \$30 of its average payment plus 60 percent of the next \$35 thereof, 15 percent of \$12 for each recipient or an additional payment of \$1.80 (as against an additional payment of 60 percent of \$1.00 or \$0.60 under the formula described in the preceding paragraph).

States with average monthly payments per recipient under old-age assistance of \$65 or less would also receive additional Federal

funds in connection with their vendor medical care programs. These States would receive the same proportions of their average payments as are provided under existing law, plus an additional 15 percent of the first \$12 of their average vendor medical care payments for each recipient. Thus, a State with an average monthly payment per recipient of \$55, of which \$10 is for vendor medical care, would receive four-fifths of the first \$30 of the average payment for each recipient, plus the Federal percentage of the next \$25 for each recipient, plus an additional 15 percent of \$10 for each recipient.

(The above provisions would not be applicable to Puerto Rico, the Virgin Islands, and Guam. However, a comparable liberalization of the formula applicable to them is also included in the bill.)

It is expected that these additional old-age assistance vendor medical care funds will result in the improvement of programs for such care, or for initiating programs of medical assistance for the aged, or both.

Under existing law the Federal percentages for the several States vary inversely with the square of their respective per capita incomes, but with a minimum of 50 percent and a maximum of 65 percent. The Federal medical percentage would be determined in the same way except that the maximum would be 80 percent instead of 65 percent.

For all States which have approved programs for medical assistance for aged persons who are not recipients of old-age assistance, the Federal payments would be equal to the Federal medical percentage of the total amounts expended under these programs.

Also (as under existing law), all States would continue to receive Federal payments equal to one-half of their expenditures for necessary and proper administration of their State plans.

Section 601(d) is a conforming amendment to section 3(b)(2)(B) of the Act, striking out "old-age assistance" and inserting in lieu thereof "assistance".

Section 601(e) is a conforming amendment to section 4 of the Act under which the Secretary could suspend or deny Federal payments to States whose plans do not conform to the requirements of the Act or whose programs are operated in contravention of the provisions of the State plan.

Section 601(f) amends section 6 of the Act. Existing section 6 becomes subsection (a) of section 6 and two new subsections (b) and (c) are added. The new subsection (a) continues the present definition of "old-age assistance", except that it (in effect) permits Federal financial participation in State expenditures for medical care on behalf of an individual who is a patient in a medical institution, as the result of a diagnosis of tuberculosis or psychosis, for 42 days (whether or not consecutive) after such diagnosis. (Under the Senate amendments, the definition of "old-age assistance" included money payments to, or medical care on behalf of or any type of remedial care recognized under State law on behalf of, individuals who are patients in institutions for tuberculosis or mental diseases and individuals who have been diagnosed as having tuberculosis or psychosis and are patients in medical institutions as a result thereof.)

The new subsection (b) of section 6 defines "medical assistance for the aged." This term is defined to mean payments for medical services to persons 65 years of age or over who are not recipients of old-age assistance, but whose income and resources are insufficient to meet the cost of the following care and services:

- (1) Inpatient hospital services;
- (2) Skilled nursing-home services;
- (3) Physicians' services;
- (4) Outpatient hospital or clinic services;
- (5) Home health care services;

- (6) Private duty nursing services;
- (7) Physical therapy and related services;
- (8) Dental services;
- (9) Laboratory and X-ray services;
- (10) Prescribed drugs, eyeglasses, dentures, and prosthetic devices;
- (11) Diagnostic, screening, and preventive services; and
- (12) Any other medical care or remedial care recognized under State law.

The term "medical assistance for the aged" does not include services for any individual who is an inmate of a public institution except as a patient in a medical institution; nor does it include services for any individual who is a patient in a tuberculosis or mental institution. In the case of an individual who is a patient in a medical institution (other than a tuberculosis or mental institution) as a result of a diagnosis of tuberculosis or psychosis, services provided him after he has been such a patient in the institution for 42 days (whether or not consecutive) as a result of this diagnosis are also not included. (Under the Senate amendments, the term "medical assistance for the aged" did not exclude payments with respect to care or services for individuals who are patients in institutions for tuberculosis or mental diseases, and did not exclude individuals who have been diagnosed as having tuberculosis or psychosis and are patients in medical institutions as a result thereof.)

The new section 6(c) defines the term "Federal medical percentage". The Federal medical percentage for any State would be 100 percent minus the percentage which bears the same relationship to 50 percent as the square of the per capita income of the State bears to the square of the per capita income of the 50 States. The Federal medical percentage could not, however, be less than 50 percent or more than 80 percent. Also, this percentage for Puerto Rico, the Virgin Islands, and Guam would be set at 50 percent.

As under the Senate amendments, these changes in title I of the Social Security Act will take effect on October 1, 1960.

PLANNING GRANTS TO STATES

Amendment No. 93: Section 603 of the House bill authorized a two-year program of grants to the States to cover one-half of their costs, up to a maximum Federal payment of \$50,000, of making plans and initiating administrative arrangements for operations under the new title XVI of the Social Security Act (relating to medical services for the aged). The Senate amendment deleted this provision of the House bill. The House recedes.

INCREASE IN LIMITATIONS ON ASSISTANCE PAYMENT TO PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM

Amendment No. 97: Senate amendment numbered 97 added to the bill amendments to section 1108 of the Social Security Act. This section of the Act places dollar limitations on the amounts which may be paid to Puerto Rico, the Virgin Islands, and Guam under titles I, IV, X, and XIV of the Act. The Senate amendment increased these dollar amounts. No comparable provision was included in the House bill. The House recedes.

Under the conference agreement, section 1108 of the Social Security Act is amended to increase the dollar limitations described above as follows:

Puerto Rico—from \$8,500,000 to \$9 million per fiscal year;

Virgin Islands—from \$300,000 to \$315,000 per fiscal year; and

Guam—from \$400,000 to \$420,000 per fiscal year.

These increases may be used only for payments certified under section 3(a)(2)(B) of the act (relating to Federal matching for old-

age assistance expenditures in excess of the present maximum of \$35 per month per beneficiary). However, the dollar limits would not apply to payments under the new section 3(a)(3) of the act (relating to Federal payments for medical assistance for the aged).

ADVISORY COUNCIL ON SOCIAL SECURITY FINANCING

Amendment No. 101: Section 704(b) of the House bill amended section 116 of the Social Security Amendments of 1956 so as to direct the Advisory Council on Social Security Financing which will be appointed during 1963 (under section 116(e) of the 1956 Amendments as amended by sec. 704(a) of the bill) to make findings and recommendations with respect to extensions of coverage, adequacy of benefits, and all aspects of the old-age, survivors, and disability insurance program in addition to the other findings and recommendations (relative to financing) which it is required to make under such section 116. The Senate amendment deleted this provision of the House bill. The Senate recedes.

CHILD-WELFARE SERVICES

Amendment No. 106: Section 707(a)(3)(A) of the House bill amended section 521 of the Social Security Act so as to increase from \$17,000,000 to \$20,000,000 the amount authorized to be appropriated each year to enable the Secretary of Health, Education, and Welfare to make grants to State agencies for child-welfare services. The Senate amendment increased this amount to \$25,000,000. The House recedes, with an amendment providing that the uniform amount in the allotments to each State as prescribed by the present child-welfare services law (which is based on the ratio between the amount authorized and the amount appropriated for child-welfare purposes, applied to a dollar amount which is increased from \$60,000 to \$70,000 by the bill) shall in no case be less than \$50,000.

AID TO THE BLIND

Amendment No. 107: This amendment added to the House bill a new section 710, amending section 1002(a)(8) of the Social Security Act to provide that the State agency administering aid to the blind, in taking an individual's income and resources into consideration for purposes of determining his need for such aid, may either disregard the first \$1,000 of his earned income per year plus one-half of the excess over \$1,000 or continue to disregard the first \$50 per month of earned income as it is directed to do under existing law, with the further provision that effective July 1, 1961, the State agency must disregard the first \$1,000 of the individual's earned income each year plus one-half of his earned income in excess of that figure. The House recedes with an amendment which places the new earned income exemption on a monthly basis as in existing law rather than on an annual basis as in the Senate amendment, and provides that the new exemption will become mandatory on the States on July 1, 1962; under the conference agreement the State agency, in determining need, is permitted either to disregard the first \$85 of the individual's earned income per month plus one-half of his earned income in excess of that figure or to continue to apply the existing \$50 per month exemption until the 1962 date, after which it must disregard the first \$85 of earned income per month plus one-half of earned income in excess of that figure.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,
HOWARD H. BAKER,

Managers on the Part of the House.

ASSISTANCE IN DEVELOPMENT OF LATIN AMERICA AND RECON- STRUCTION OF CHILE

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tonight to file a report on the bill (H.R. 13021) to provide for assistance in the development of Latin America and in the reconstruction of Chile, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HEMPHILL, for 30 minutes, on Monday.

Mr. FLOOD, for 30 minutes, on Friday.

Mr. STAGGERS, for 5 minutes, today.

Mr. FLYNN, for 1 hour, on tomorrow.

Mr. KASEM, for 15 minutes, on tomorrow.

Mr. HALPERN (at the request of Mr. MOORE), for 10 minutes, today.

Mr. HOFFMAN of Michigan (at the request of Mr. MOORE), for 6 minutes, following Mr. HALPERN, today.

Mr. RHODES of Arizona (at the request of Mr. MOORE), for 1 hour, on Tuesday and Wednesday next.

Mr. RANDALL, for 15 minutes, on tomorrow.

Mr. SIKES (at the request of Mr. JOHNSON of Colorado), for 30 minutes, on Tuesday, August 30.

Mr. CURTIN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. LANE in five instances and to include extraneous matter.

Mr. ULLMAN in five instances and to include extraneous matter.

Mr. HEMPHILL and to include extraneous matter.

Mr. THOMPSON of New Jersey in five instances and to include extraneous matter.

Mr. LEVERING in five instances and to include extraneous matter.

Mr. BERRY in four instances and to include extraneous matter.

Mr. BYRNES of Wisconsin in three instances and to include extraneous matter.

Mr. YOUNG and to include extraneous matter.

Mr. LESINSKI in 10 instances and to include extraneous matter.

Mr. FLYNN in three instances and to include extraneous matter.

Mr. WOLF in three instances and to include extraneous matter.

Mr. PHILBIN in seven instances and to include extraneous matter.

(At the request of Mr. MOORE, and to include extraneous matter, the following:)

Mr. RAY in five instances.

Mr. WIDNALL in three instances.

Mr. VAN ZANDT in two instances.

Mr. CURTIS of Massachusetts.

Mr. GROSS.

Mr. CHAMBERLAIN in two instances.

Mr. FORD.

Mr. REES of Kansas in two instances.

Mr. WEAVER in five instances.

(At the request of Mr. JOHNSON of Colorado and to include extraneous matter, the following:)

Mr. McCORMACK.

Mr. MULTER in four instances.

Mr. ANFUSO in three instances.

Mrs. GRANAHAH in five instances.

Mr. ROGERS of Florida in two instances.

Mr. DULSKI.

Mr. HOLLAND in six instances.

Mr. SANTANGELO in two instances.

Mr. LIBONATI in three instances.

Mr. ELLIOTT in five instances.

Mr. FARSTEIN in three instances.

Mr. STRATTON in three instances.

Mr. RODINO.

Mr. RIVERS of South Carolina in two instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3800. An act to provide a method for regulating and fixing wage rates for employees of Portsmouth, N.H., Naval Shipyard; to the Committee on Armed Services.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2339. An act to revise, codify, and enact into law, title 39 of the United States Code, entitled "The Postal Service";

H.R. 5054. An act to amend the Tariff Act of 1930 with respect to the marking of imported articles and containers; and

H.R. 11666. An act making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 5789. An act to incorporate the Agricultural Hall of Fame.

ADJOURNMENT

Mr. JOHNSON of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 4 o'clock and 49 minutes p.m.), the House adjourned until tomorrow, Friday, August 26, 1960, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2424. A letter from the Secretary of the Interior, transmitting a report on the Oroville-Tonasket Unit, Okanogan-Similkameen Division, Chief Joseph Dam project, Washington, pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) (H. Doc. No. 453); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

2425. A letter from the Secretary of Health, Education, and Welfare, transmitting a report relating to certain violations of administrative control of funds procedures in connection with the obligation of funds in excess of amounts allotted from an appropriation of this Department, as of June 30, 1959, pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 665); to the Committee on Appropriations.

2426. A letter from the Under Secretary of the Navy, transmitting a supplementary report to reports made on August 30, 1958, and August 1, 1959, relating to the authority to construct, operate, and maintain the DeLuz Dam on the Santa Margarita River in the State of California, pursuant to Public Law 547, 83d Congress; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee of conference. H.R. 4826. A bill for the relief of Arthur E. Collins (Rept. No. 2153). Ordered to be printed.

Mr. McMILLAN: Committee on the District of Columbia. S. 1870. An act to provide for examination, licensing, registration, and for regulation of professional and practical nurses, and for nursing education in the District of Columbia, and for other purposes; with amendment (Rept. No. 2154). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. S. 2131. An act to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia approved May 25, 1954, as amended, without amendment (Rept. No. 2155). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 624. Resolution providing for the consideration of H.R. 12677, taking the bill from the Speaker's table and sending it to conference; without amendment (Rept. No. 2156). Ordered to be printed.

Mr. ASPINALL: Committee of Conference. H.R. 6597. A bill to revise the boundaries of Dinosaur National Monument and provide an entrance road or roads thereto, and for other purposes, (Rept. No. 2157). Ordered to be printed.

Mr. BLATNIK: Committee on Public Works. H.R. 7198. A bill to authorize the

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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Issued Aug. 29, 1960
For actions of Aug. 26 and 27
Nos. 143 and 144

HIGHLIGHTS: House passed supplemental appropriation bill. Both Houses agreed to conference report on mutual security appropriation bill. House committee voted to report bill to increase price support level for milk and butterfat. Senate committee voted to report measure for study of U. N. food-for-peace program. Senate agreed to conference report on Labor-HEW appropriation bill. House received conference report on public works appropriation bill. Sen. Humphrey and Rep. Flood introduced and discussed bills to authorize donation of surplus commodities and property to Polish flood victims. Sen. Humphrey introduced and discussed bill to provide (cont'd p. 7)

SENATE - AUG. 26

1. LABOR-HEW APPROPRIATION BILL, 1961. Agreed to the conference report on this bill, H. R. 11390 (pp. 16563-9). This bill will now be sent to the President.
2. SURPLUS COMMODITIES; FOREIGN AID. The Foreign Relations Committee reported an original concurrent resolution, S. Con. Res. 116, expressing the support of the Congress for the continued exploration by the President with other nations for the establishment of an international food program for the purpose of furnishing food to needy countries (S. Rept. 1922). p. 16503
3. APPROPRIATIONS. Received from the President supplemental appropriation estimates for the President's special international program (S. Doc. 120), and for the Department of Health, Education, and Welfare (S. Doc. 121). p. 16507

4. PERSONNEL. Concurred in the House amendment, after agreeing to an amendment by Sen. Johnston, to S. 2575, to provide a health benefits program for certain retired employees of the Federal Government. pp. 16569-71
 5. HEALTH. Agreed to the conference report on H. R. 6871, to amend the Public Health Service Act so as to authorize project grants for graduate training in public health. p. 16556
 6. IMPORTS. Passed with an amendment H. R. 12659, to suspend for a temporary period the import duty on heptanoic acid. pp. 16623-5
 7. OLD-AGE ASSISTANCE. Received the conference report on H. R. 12580, to provide grants to States for medical care for aged individuals of low income. pp. 16611-22
 8. DEPRESSED AREAS. Sen. Keating criticized the Democrats for not passing depressed areas legislation as recommended by the President, and stated that "it is perfectly clear that the members of the majority party do not want any area assistance program before the election." p. 16532
Sen. Douglas criticized the recent testimony of Secretary of Commerce Mueller on depressed areas legislation and stated that his testimony "has again vetoed our efforts to enact an effective area redevelopment law." pp. 16572-3
 9. FOREIGN AID. Sens. Dirksen and Cooper inserted a report on the first 26 months of operation of the Development Loan Fund. pp. 16515, 16529
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- HOUSE - AUG. 26
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10. MUTUAL SECURITY APPROPRIATION BILL, 1961. Both Houses agreed to the conference report on this bill, H. R. 12619, and acted on amendments in disagreement. This bill will now be sent to the President. pp. 16596-609, 16638-47
 11. SECOND SUPPLEMENTAL APPROPRIATION BILL, 1961. Passed with amendments this bill H. R. 13161. Earlier the Appropriations Committee had reported the bill without amendment (H. Rept. 2166). pp. 16666-72, 16712
As passed the bill includes Forest Service items as follows: \$700,000 of the \$800,000 budget estimate for "Forest land management" (for rehabilitation of burned areas) and \$500,000, the budget estimate, for "Forest research" (for emergency research on the burned-over San Dimas Experimental Forest).
The budget estimate of \$1,000,000 under "Funds appropriated to the President" for program administration, audit, and end-use checks of overseas surplus agricultural commodity donations carried on by private voluntary relief agencies was not included in the bill.
 12. PUBLIC WORKS APPROPRIATION BILL, 1961. Received the conference report on this bill, H. R. 12326 (H. Rept. 2181). The conference report includes items for Army flood control and Interior reclamation. pp. 16647-55, 16712
 13. MILK PRICE SUPPORTS. The Agriculture Committee voted to report (but did not actually report) S. 2917, to establish a price support level for milk and butterfat. p. D724

velopment of Communist Chinese political and ideological aggression, which surely ought to be noted by those who are formulating and administering our policies.

Mr. President, I ask unanimous consent that the following articles be printed at this point in the RECORD: "A Chinese-Russian Break" by Joseph Alsop in the August 24 edition of the Washington Post and Times Herald; "The Party Line's Tangled Wires," by Chalmers M. Roberts in the August 21 edition of the Washington Post and Times Herald; "Why the Russo-Chinese Snarling?" by Roscoe Drummond in the August 21 edition of the Washington Post and Times Herald; and "Soviet Criticizes China War Camp" and "Soviet Defends Policies" from the August 26 edition of the New York Times.

These articles merely underscore what I attempted to say to the Senate last week as to some of the more interesting and, in fact, startling developments in the alliance between Communist China and the Soviet Union.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 24, 1960]

A CHINESE-RUSSIAN BREAK?

(By Joseph Alsop)

According to persistent reports from Moscow, the central committee of the Soviet Communist Party has been circulating a highly explosive special letter on Russian-Chinese relations to all party organizations, both at home and abroad.

The reports, though not absolutely confirmed are regarded as reliable. One of them compares the central committee's new encyclical to the famous letter of the central committee passing on the news of Nikita S. Khrushchev's secret speech denouncing Joseph Stalin.

Most, though not all, of the reports agree that the new encyclical was sent as a result of the Bucharest meeting, which aired the bitter though somewhat mysterious Sino-Soviet ideological dispute about the possibilities of peaceful coexistence. If this is correct, the circular must have been approved by the meeting of the Soviet central committee just subsequent to the meeting in Bucharest.

On this assumption, the sending of the circular was not a recent event. Yet the mere news of its existence has caused a perceptible increase in expert speculation about the eventual open rupture between Peking and Moscow.

In the words of one expert, "The volcano has been rumbling horribly for some months." The news of the circular letter from the Soviet central committee is like the sudden sight of smoke belching from the crater. In the circumstances, the possibility of an actual eruption really has to be thought about.

The volcano's rumblings, it must be added, have been distinctly more ominous than has yet been realized by all but a few people here. Consider the all-but-incredible, hitherto unpublicized exchange that took place on August 13 between the official Izvestia in Moscow and the equally official People's Daily in Peking.

"Not much wisdom is needed," Izvestia trumpeted, "to assemble and sometimes distort quotations and to repeat over and over again that imperialist wars are inevitable until socialism triumphs. Such people . . . Lenin called 'leftist' phrasemongers. Lenin ridiculed their theories of prohibiting the

Soviet peaceful relations with capitalist countries and stepping up revolutions.

"Therefore for those who wish to replace the developing, living teachers of Marxism-Leninism with a dead dogma, it is a blasphemy to refer to Lenin."

[From the New York Times, Aug. 25, 1960]

SOVIET DEFENDS POLICIES

(By William J. Jordan)

WASHINGTON, August 25.—High-ranking Government officials are convinced that the Soviet Communist Party has circulated among its cells at home and to Communist parties abroad an elaborate defense of Moscow's foreign policy. The policy statements are believed to contain strongly worded but indirect criticism of the Chinese Communists.

Competent sources here said the text of the Soviet "manifesto" on the "cold war" and the diplomatic struggle with the West had not become available for full study. These sources added, however, that reports of its existence were too varied and had come from too many sources to allow serious doubts about their validity.

UNITED STATES OUTLINES DOCUMENT

United States specialists were reported to have drawn up an outline of what they thought was in the Soviet party document. It is considered that recent published articles and statements from Soviet sources provide a reliable guide as to the broad lines of the Soviet policy declaration.

What is missing is the precise language that some reports suggests is the most interesting feature of Moscow's defense of its foreign-policy position. Several informants have said that the tone of the Soviet document is surprisingly strong.

POWER STRUGGLE SEEN

Reports of the Soviet move are regarded as new and intriguing evidence of the continuing struggle between Moscow and Peking for ideological leadership of the Communist world. They come at a time when other indications, equally indirect, of tension between the two major Communist powers have increased.

Among the latter was the recent disclosures that two Chinese Communist publications, magazines called "China" and "Friendship," have suddenly disappeared from newsstands in the Soviet capital.

[From the Washington Post, Aug. 21, 1960]

THE PARTY LINE'S TANGLED WIRES

(By Chalmers M. Roberts)

The inner mystery of the Communist world long has been, and still remains, the nature of the Soviet-Red Chinese relationship. The flurry of stories recently about Soviet technicians leaving China only adds to the uncertainty.

What is known firsthand is that one trainload of Soviet citizens and their families was seen leaving Peking. Secondhand reports have it that other trainloads also have left the Chinese capital but probably the total of departing Soviet technicians is under 1,000.

A French news agency dispatch from Peking last week, a dispatch which passed through censorship, reported "emotional scenes 4 days a week" at the Peking railway station. The dispatch said that most of the repatriated experts were engineers and foremen assigned to train Chinese cadres and workers to use new Soviet equipment.

The reason why a trainload or more of Soviet technicians departing from Peking can cause such a stir is, of course, very important to the United States. It has to do with the Soviet-Chinese relationship which in turn affects the U.S.-Communist relationship.

The basic elements of the relations between the two big Communist states is no great mystery: They are drawn together by common interests more important than the things which tend to push them apart. The mystery has to do with the latter—how much divisive force is there and, above all, where will it lead in the years ahead? And how much control can Moscow, which has the nuclear weapons, continue to exert over Peking, which does not yet have them?

The ideological scrap on whether war between capitalism and communism is inevitable is the framework of the Soviet-Chinese argument. Moscow says things (i.e., the coming of nuclear weapons and the increase in Communist power vis-a-vis the West) have negated the Leninist statement of war's inevitability; Peking says Lenin's words are still valid.

At Bucharest in June the Communist nations, with Nikita Khrushchev on hand, papered over their differences but so thinly that the differences are still very evident. Soviet experts note a hardening of the Soviet line toward the West since the Bucharest meeting but they do not think Khrushchev now intends to take any undue risks until after he tests the mettle of the new American Administration next year.

The Chinese, for all their belligerency, likewise have not of late taken any risks with the United States. They have been content to follow the Khrushchev post-summit line of blackening the name of America and trying to cut down its power. Hence the bombardment of Quemoy during President Eisenhower's visit to Formosa and the propaganda hammering during the Japanese riots and the attack in Japan on the defense treaty with the United States.

The facts appear to be that despite a basic difference in outlook on how to deal long range with the United States, Moscow and Peking have been acting pretty much in harness in the short range. This tends to downgrade the importance of such things as the scenes observed at the Peking railway station.

The tragedy, from the Western viewpoint, is that the initiative in Asia seems to lie almost wholly with the Red Chinese, their allies and agents.

There will be no change in China policy in the remaining months of the Eisenhower Administration. Neither the Democratic nor the Republican platform promises any real change, yet each was so worded as to avoid locking Senator KENNEDY or Vice President NIXON into an impossible situation should the winner in November decide to lift the freeze on Red China in one way or another.

In view of the belligerent attitude in Peking it will be very difficult, at best, to alter American policy. Nor does magnification of Soviet-Chinese differences help; it tends to drive the two nations together, naturally enough.

The tragedy is that in such periods of relative calm in Asia as the present nothing is being done to explore ways and means to bring together the policies of the United States and its major free world friends both in Europe and Asia toward Red China. As of now such an effort is likely only if it is forced upon Washington by some new pressure from the Communists.

Someday, somehow, this kind of policy will have to be altered. But the day is not yet visible.

[From the Washington Post, Aug. 21, 1960]

WHY THE RUSSO-CHINESE SNARLING?

(By Roscoe Drummond)

It is always interesting when the Communist leaders fall into controversy.

The breach between Soviet Premier Khrushchev and Red China's Premier Chou En-lai, while big enough to be seen, is not

yet big enough to be serious; that is, there is no present evidence that it will lead to a break in the alliance.

The dispute between Moscow and Peking is whether the goal of peaceful coexistence is Communist or un-Communist.

Mr. K. argues that war is not inevitable even if Lenin said it was, and he declares that he will not "retreat one step" from peaceful coexistence.

Premier Chou En-lai says that Communist China will have none of this newfangled Communist doctrine, that since the war-is-inevitable theory was good enough for Lenin and Stalin, it's good enough for him.

We must bear in mind that this apparent controversy may only be a concerted maneuver to confuse the West. Moscow's actions, whatever it may say, are more designed to promote turmoil than to curtail it.

But the two principal Communist allies, the Soviet Union and Red China, are letting the controversy rage. A new incident is reported in this Associated Press dispatch from Stockholm:

"A ranking West European Communist has returned from Peking with a report of stormy scenes between Soviet and Red Chinese leaders at a labor conference in the Chinese capital.

"The Chinese Reds tried to ram through a resolution approving a free hand for Peking to use in any conflict situation in Asia for war purposes.

"The rift between Peking and Moscow proved wider than any of the Western Communists had believed.

"The Chinese leaders, referring to Lenin's teaching, said a new world war is not only inevitable, it is even desirable from a Communist point of view," the informant reported.

"The following day, the chief Soviet delegates declared angrily, 'If Comrade Chou En-lai intends to speak in the same tone and the same language as yesterday, the Soviet delegation is going to leave the hall.'

"Mr. Chou did not speak and the atmosphere remained tense."

This incident gives point to the recent statement by Gen Li Chih-min, a senior Chinese Communist spokesman, who said that Communist comrades who advocate peaceful coexistence must be so afraid of nuclear war that they "beg imperialists for peace at any price."

There is a significance aspect to this divergence of doctrine within the Communist camp—the Soviet Union's avowed support of peaceful coexistence and Red China's open disdain for same. The significance, I think, is that it shows that the divisive forces of national interest could prove greater than the uniting forces of Communist ideology.

The Soviet Union affirms the objective of peaceful coexistence because it appears best to serve the Soviet national interest, and Red China repudiates peaceful coexistence on the ground that it disserves its national interest—and each contends that it is resting its policy on the true Communist dogma.

The reasons most experts feel that nuclear war is unacceptable to the Soviets are:

That its industrial development is so far advanced that it cannot willingly risk its destruction.

That the Soviet Union has already taken over by force, as in Eastern Europe, all the territory it can without inviting war.

That the weight of leadership opinion and—to the extent it is free to express itself—public opinion inside the Soviet Union is on the side of keeping the nation at peace.

Obviously, Red China does not see its interests served by these objectives. As yet, it has no vast industrial complex vulnerable to nuclear destruction. It has not satisfied its drive for territorial expansion and is apparently prepared to risk war to achieve its ends.

The Chinese dictatorship must feel that it needs the emotional distractions of non-peaceful existence to maintain its harsh pressures on the Chinese people to work and produce under the most harassing conditions.

[From the New York Times, Aug. 26, 1960]
SOVIET CRITICIZES CHINA "WAR CAMP"—NEW EVIDENCE OF RIFT SEEN IN ATTACK ON VIEW THAT CONFLICT IS INEVITABLE

LONDON, August 25.—An almost unnoticed Soviet broadcast to the Far East fed speculation today of a growing rift between the Soviet Union and Communist China.

The Moscow radio made the broadcast in Mandarin 2 days ago. It criticized those people so "weak in political beliefs" that they regarded a war between capitalism and communism as inevitable.

The broadcast assailed this group for losing confidence in peaceful coexistence after the collapse of the Paris summit conference 3 months ago.

It is believed the criticism was aimed at the forces of Mao Tse-Tung, Chinese Communist leader. The ideological conflict has been accompanied by the reported mass exodus of Soviet technicians from Communist China.

London and Washington informants said Premier Khrushchev was calling on Communist parties at home and abroad to back his conviction that a major war must and would be averted.

The Moscow broadcast pulled no punches. It said:

"The great Lenin, when he talked about the future of mankind in early 1918, said that modern techniques will add greater destruction to wars. However, there will come a time when the destruction of wars will be so enormous that men will totally avoid them.

"That time has now come. In our time, we will not have wars and all people who have sound sense and have concern for the practical situation will draw a conclusion such as this."

Like the blast from Izvestia, the counterblast of the People's Daily is full of words and phrases in unexplained quotation marks. These words and phrases should probably be interpreted as actual quotations from the Soviet Central Committee circular. If so, the Soviets must have been very sharp indeed, as can be seen from the following People's Daily passage:

"As for the modern revisionists and their followers who have gone so far as to take their cue from the U.S. imperialists in vociferously affirming the slander that China is 'belligerent,' that it 'wants war,' that it 'does not want peaceful coexistence,' (but) attempts to 'push forward the world revolution by means of war'—all this amounts to nothing else than throwing themselves into the position of apologists for imperialism * * *.

"The Chinese people hold all this blasphemous talk in contempt."

Each side, then, has openly called the other "blasphemous." It is now pretty well established, moreover, that the Soviets at least ordered a symbolic withdrawal of Russian technicians from China some time before this brisk exchange of charges of blasphemy.

The evidence on this point is now so strong that the burden of proof plainly lies on the minority of experts who still hold that no technicians were withdrawn. At least two Western embassies in Peking have sent unqualified reports of organized departures of large groups of Soviet technical personnel. One such report, rated as entirely reliable by the sender, spoke of a whole trainload of 200 to 300 Russian technicians and their families. This was an extraordi-

nary personnel movement, quite different from the ordinary piecemeal movement that would be produced by the completion of a project.

There have been other strange signs, too. One such, exclusively reported in the New York Herald Tribune, was the suppression in the Soviet Union of two Sino-Soviet magazines, Friendship and China. Another sign, not previously disclosed, was the non-appearance of the Chinese delegation at the important Congress of Orientalists which began in Moscow about 10 days ago.

Such are the collected signs. Each man may read them as he chooses.

In the last week it was reported that a Chinese delegation that had been expected to take part in a gathering of Orientalists from all over the world failed to appear for the sessions in Moscow.

Against this background of apparent tension between the Chinese and Russians, the reports of the extensive Soviet defense of its foreign policy attracted heightened interest here.

Lincoln White, spokesman for the Department of State, said today that officials here had heard rumors and reports about the Soviet ideological statement.

IZVESTIA ARTICLES CITED

"As to the substance of this document," he added, "we believe this probably can best be judged from the article by M. Mikhailov and N. Polyanov which appeared in the August 13 edition of Izvestia. * * *"

The Mikhailov-Polyanov article in the official newspaper of the Soviet Government defended the peaceful coexistence line and the possibility of preventing war.

"There are some people," the authors wrote, "who draw absolutely absurd conclusions from the recent international complications. They strongly resemble a traveler lost among three pine trees. They reason approximately as follows: Recent developments have proved that the nature of imperialism remains unchanged, and if this is so there can be no peaceful coexistence of two systems, no prevention of wars, since the imperialists reveal their desire to prepare and unleash another war. Only dogmatists can reason this way, for their conclusions are drawn without due analysis, without consideration of the actual balance of forces in the international arena, which is imperatively demanded by Leninism."

FILING OF REPORT BY SELECT COMMITTEE ON SMALL BUSINESS ENTITLED "REVIEW OF SMALL BUSINESS ADMINISTRATION ACTIVITIES, 1960"

Mr. SPARKMAN, Mr. President, I ask unanimous consent that the Select Committee on Small Business be authorized during the adjournment of the 2d session of the 86th Congress to file with the Secretary of the Senate a report entitled "Review of Small Business Administration Activities, 1960," and that the report be printed along with any individual, supplemental, or minority views.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

THE MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATION BILL—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, the senior Senator from Arizona

[Mr. HAYDEN] has been waiting for some time. He has a highly privileged and important matter, which will require a quorum call.

Mr. HAYDEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12619) making appropriations for Mutual Security and related agencies, for the fiscal year ending June 30, 1961, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of August 25, 1960, p. 16495, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

[No. 311]

Alken	Frear	McNamara
Allott	Fulbright	Magnuson
Anderson	Gore	Mansfield
Bartlett	Green	Monroney
Beall	Gruening	Morse
Bennett	Hart	Moss
Bible	Hayden	Mundt
Burdick	Hickenlooper	Muskie
Bush	Hill	Pastore
Butler	Holland	Prouty
Byrd, W. Va.	Hruska	Proxmire
Cannon	Humphrey	Randolph
Carson	Jackson	Robertson
Carroll	Javits	Russell
Case, N.J.	Johnson, Tex.	Scott
Case, S. Dak.	Johnston, S.C.	Smith
Chavez	Jordan	Sparkman
Church	Keating	Stennis
Clark	Kefauver	Symington
Cooper	Kennedy	Talmadge
Cotton	Kerr	Thurmond
Dirksen	Kuchel	Wiley
Dodd	Lausche	Williams, Del.
Dworshak	Long, Hawaii	Williams, N.J.
Eastland	Long, La.	Yarborough
Ellender	Lusk	Young, N. Dak.
Engle	McCarthy	Young, Ohio
Ervin	McClellan	
Fong	McGee	

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Illinois [Mr. DOUGLAS], the Senator from Indiana [Mr. HARTKE], the Senator from Montana [Mr. MURRAY] and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNING] is absent because of illness.

I further announce that the Senator from Florida [Mr. SMATHERS] is necessarily absent.

Mr. DIRKSEN. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. CURTIS], the Senator from Arizona [Mr. GOLDWATER], the Senator from Kentucky [Mr. MORTON], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Iowa [Mr. MARTIN] is absent by leave of the Senate on official business.

The PRESIDING OFFICER (Mr. BURDICK in the chair). A quorum is present.

Mr. JOHNSON of Texas. Mr. President, is the Senator from Arizona prepared to make a statement at this time on the pending conference report?

Mr. HAYDEN. Yes.

Mr. JOHNSON of Texas. I yield to the Senator from Arizona.

Mr. HAYDEN. Mr. President, I can give the totals of the Senate bill, the House bill, and the conference report.

To begin with, the appropriation last year was \$3,249,095,000.

The budget estimate this year was \$4,231,704,000.

The House bill provided \$3,589,750,000.

The Senate bill provided \$3,989,054,000.

The conference report recommends an appropriation of \$3,722,350,000. That is the amount which the House has approved.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Then the figure proposed by the conference is approximately midway between the figures proposed by the House and that proposed by the Senate?

Mr. HAYDEN. It is nearer the House figure than it is the Senate figure.

Mr. CASE of South Dakota. I thought the House bill provided \$3,500 million; the Senate bill, \$3,900 million; and the conference report \$3,700 million. Is that correct?

Mr. HAYDEN. The amount in the conference report is \$132,600,000 above the House bill, and \$266,704,000 under the amount in the Senate bill.

Mr. JOHNSON of Texas. Mr. President, has the Senator from Arizona concluded his statement?

Mr. HAYDEN. Yes.

Mr. JOHNSON of Texas. Mr. President, I desire to make a brief statement. First, I ask unanimous consent to have printed at this point in the RECORD the text of the President's news release dated today and the text of a letter which he dispatched to me, an identical copy of which was sent to the distinguished minority leader.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE.

STATEMENT BY THE PRESIDENT

I am gravely concerned by the conference action on mutual security appropriations.

I have repeatedly stated that the appropriation of the full \$4,086 million authorized is vitally needed. Moreover, needs which have developed since my original request, particularly the emergency in the Congo, have made necessary an additional \$100 million for the contingency fund.

Only day before yesterday, by a 67 to 26 vote, the Senate approved the additional \$100 million and at the same time increased last month's House appropriation of \$3,584 million by \$297 million. The conference, while approving the \$100 million increase in contingency funds, virtually disregarded the Senate restoration in the basic mutual

security budget. It accepted only \$31 million—one-tenth of the \$297 million restoration that the Senate had just overwhelmingly approved.

In short, the conference recognized the need for \$100 million of new funds but at the same time slashed by \$265 million the budget to which these new funds are to be added.

This cut would sharply curtail support indispensable to the defense of allies now under intensified Soviet pressure and deny aid urgently needed by other friendly nations struggling under the gravest difficulties to make progress in freedom.

Not only are the funds now provided by the conference inadequate, but also a number of administrative restrictions were retained which would impair the management of the mutual security program.

Surely, in the world situation now confronting our country, the Congress will not accept these recommendations which fall so short of the need.

I urge that this appropriation be returned to conference. We must, for America, correct its deficiencies.

A congressional rejection of this request will hamper greatly the Nation's Chief Executive who succeeds me next January. Upon him will fall the heavy responsibility of continuing to guide our country in a troubled world. He, no less than I, must have adequate funds to do the job.

AUGUST 26, 1960.

The Honorable LYNDON B. JOHNSON,
U.S. Senate, Washington, D.C.

DEAR SENATOR JOHNSON: I am deeply disturbed by the action yesterday of the conference on the mutual security appropriation. I cannot state too strongly my belief that a cut of this size will jeopardize the security of the country.

I hope the Senate will reject the conference report should the House approve it. Both political parties and all of the major national candidates are publicly committed to the support of an adequate mutual security program. No one can responsibly contend that this conference report and the amounts approved constitute adequacy in today's world.

In view of the worldwide scope of this program and the necessity for planning so far ahead in such an effort, time is of the essence. These critical matters simply will not wait until the Congress returns in January, then to assess the results of its actions taken now. There is at the moment such an acceleration of events in the world that we must be forearmed at all times and ready to deal with critical situations as they develop. It must be evident to the Congress from the speed with which the situation in Africa recently developed that we must stay ready and that our free world security programs, economic and military, must be kept continuously adequate. Postponement of these funds needed now may irretrievably cripple us later.

I enclose a public statement that I have just released.

I am sending an identical letter to Senator DIRKSEN and similar communications to the House leaders.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. JOHNSON of Texas. Mr. President, the conference report has been voted on and agreed to by the House. Just before the vote was taken, the President sent the letter which earlier today I read to the Senate. The letter urged the Senate to reject the conference report, in the event the House approved it, in order that further consideration might be given to the President's budget estimate.

The budget estimate for this year was \$4,275 million. The conference report,

as was stated by the able Senator from Arizona, is \$132,600,000 above the amount in the House bill, \$100 million of which, I understand, is intended to cover the item for Africa, as stated in the message of the President. The amount in the conference report is \$266,704,000 under the amount in the Senate bill. It is that \$266,704,000 which disturbs the President.

I am not in a position, on the floor of the Senate, without any more evidence than the letter gives me, to determine the merits of the position taken by the Bureau of the Budget or by the committee.

I have talked with each member of the committee of conference who signed the conference report, both the minority members and the majority members. I have found none of them who feels that we could profit by refusing to approve the conference report. As I understand the parliamentary situation, we either vote the report up or vote it down.

The same situation confronted the House. The House did not even ask for a yea-and-nay vote. The House did not have a rollcall vote on the conference report. That indicates to me that the feeling was not very deep in the House that the conference report should be rejected.

I believe the President should have a thorough and adequate hearing on the question. The best way I know of to obtain such a hearing is to proceed to approve the conference report and to provide \$490,543,000 more in this bill than we provided last year—approximately half a billion dollars more—and make that amount available to the administration. Obviously, in the opinion of our agent, the Committee on Appropriations, and of the House Committee on Appropriations, and of the House of Representatives itself, such additional amount has not been justified as of this date. But if it can be justified by the President or his agents, we shall urge them to come before the Committee on Appropriations before we report the supplemental appropriation bill, and submit whatever testimony they desire to give or whatever evidence they care to submit. I feel certain that the committee will then, as it always does, act in the national interest.

I was surprised that the House did not have a yea-and-nay vote on this item. If the President is as disturbed as his letter indicates, I should think the leadership of at least his party in the other body would have asked for a year-and-nay vote, and thus would have determined what the sentiment was in the House. But since the House did not have a yea-and-nay vote, but has approved the report and has sent it to the Senate without going to the trouble of having a yea-and-nay vote; since we have not completed action yet on the supplemental appropriation bill; and since each member of the Committee on Appropriations, both majority and minority, who signed the conference report feels that he cannot in good conscience change his views on the evidence before us; I respectfully suggest that the Senate approve the conference report and

that we welcome the submission of any further testimony or evidence to the Committee on Appropriations.

The chairman of the Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN], has assured me that he will invite any persons whom the President may designate to appear before the committee to make a case. If a case can be made, I am certain the committee will be favorably disposed toward it. If a case cannot be made, then I am sure Congress will not want to appropriate money which it feels should not be appropriated.

I am not in a position to say who is right in the matter. Nothing in the letter points up the specific need for the various items. I am told that the conference report provides \$65 million in defense support, \$22 million in technical assistance, \$26 million in special assistance, and \$150 million in the Development Loan Fund less than the Senate approved on passage of the bill.

I think the Senate should not try this case without any witnesses, without any testimony, or without any more evidence than the President's letter and the news release, particularly in view of the fact that the other body has already acted, and the President's leaders in that body did not ask for a yea-and-nay vote.

I do not think we would get very far with the conference report if we rejected it, in the light of the way the House received the President's letter and news release.

So I plead with the Senate to approve the conference report, with the understanding that the Chairman of the Committee on Appropriations will invite the President to submit any testimony or evidence he may be willing to give to support his request. The Senator from Arizona has read the President's letter and is willing to consider the request. If the request is supported, the committee will act accordingly.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. HOLLAND. I strongly support the position of the majority leader. I think the conferees went rather exhaustively through the matters which were presented to us for handling in the conference. So far as I am concerned, I think Senators will remember that I have strongly supported the Development Loan Fund, whether it was in supplemental bills, or in the regular bills. It was in that fund that the largest reduction was made on the demand of the conferees from the other body.

I recall that the conferees from the other body felt that in view of the recent adoption of IDA and the setting up of the Inter-American Bank, a case was made for a substantial reduction in the Development Loan Fund. Not all the conferees of the Senate agreed with that point of view; but either that point of view had to prevail, or we would have had no conference bill.

Speaking very briefly, but, I think, practically about this matter, I would much prefer to see an appropriate item for this purpose included in a supplemental appropriation bill which would include certain small appropriation

items, rather than to have the passage of this very important bill jeopardized.

Mr. PASTORE. Mr. President, will the Senator from Texas yield to me, so that I may ask a question of the Senator from Florida?

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may yield for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. Let me ask whether I am correct in assuming that the distinguished Senator from Florida was one of the conferees.

Mr. HOLLAND. That is correct; I reluctantly agreed to serve as a conferee, when requested by the distinguished chairman of the committee and by the majority leader. I agreed to serve, but not because I pose an expert in this field. I agreed to serve because it seemed that there was no great group of volunteers to serve on the conference committee. I was not a volunteer; but when I was requested to serve, I agreed to do so.

It was not easy or pleasant to serve on this conference committee. I believe that a practical and realistic report has been made; and I believe that in granting the request to add \$100 million to the President's contingency fund, the principal item was acted upon in accordance with the Senate's action and the President's request.

I well remember that a diligent showing was made by the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from New Hampshire [Mr. BRIDGES] as to certain requests the administration made for changes in wording; and, as I recall, at least five material changes in wording were made at the insistence of the Senate conferees, acting on the request of the administration.

Mr. PASTORE. But I am trying to determine the attitude of the Republican Members of the House who served as conferees, as regards the request now being made by the President.

Mr. HOLLAND. The attitude of the conferees on the part of the House was one of evident lack of enthusiasm for the Senate amendments, or most of them; and the senior Republican conferee on the part of the House was exceedingly adamant. The junior Republican conferee on the part of the House was, as I recall, more restrained in his opposition; and I think he was more helpful in getting some of the Senate changes written into the bill.

Upon counting the changes which have been made, I notice that the number of Senate changes included is greater than the number of Senate changes which were thrown aside.

Mr. PASTORE. Is it fair for me to assume that the ranking Republican conferee on the House side was adamant as regards cutting the amount which we are now told, by means of the President's request, should be restored?

Mr. HOLLAND. That is correct.

At this point I am adamant in insisting that it is most important that the bill be enacted as included in the conference report and that, if necessary, the problem referred to be handled in

the pending supplemental appropriation bill.

I believe that the chairman of the committee, the Senator from Arizona [Mr. HAYDEN], will agree as to that.

Mr. HAYDEN. That is correct.

Mr. RUSSELL. Mr. President—

Mr. JOHNSON of Texas. I yield to the Senator from Georgia.

Mr. RUSSELL. I thank the Senator from Texas.

Mr. President, I was very reluctant to sign the conference report, although my reluctance stems from an entirely different concept from that presented by the President's letter. I did not see anything in the hearings or, indeed, in the world situation, to justify an increase of half a billion dollars in this fund for the coming fiscal year. I signed the report, finally, as an agent of the Senate, in the discharge of my duty as a conferee.

I may say that the conference was not a pleasant one. When I go into a conference as a representative of the Senate, I represent the Senate viewpoint as vigorously as possible, even though it may not be in accord with the vote or votes I cast on the floor of the Senate. I conceive that to be the duty of a conferee.

In this case the conferees for the other body opposed every one of the increases voted by the Senate. There was a varying degree of opposition, and some of the conferees for the other body were more adamant with respect to some items than others were, although that is only natural in a conference of that kind.

But I may say that generally speaking, there was no partisanship among the House conferees in dealing with this issue; and I am sure that any conferee who represented the Senate there will, without regard to party, vouch for the accuracy of that statement.

Mr. President, the President has great responsibilities in connection with these matters, and I have a very great regard for the President of the United States. When I say that, I do not only mean the Office of the President of the United States, which is entitled to the respect of every American citizen, regardless of who may hold that office; but I also have a very high regard for Dwight D. Eisenhower, the present occupant of the Presidency.

But I must say that I cannot understand the very dramatic and urgent tone of the letter to the majority leader.

This year, we have not reduced this appropriation any more than we have reduced similar appropriations in past years. Several years since 1952 we have cut the appropriation more than a billion dollars below the authorization requested by the President in his budget.

For example, in 1953, we reduced the request \$1,898 million; but I do not recall that any letter similar to this one was sent to us at that time.

In 1954, we reduced the authorization \$1,395,600,000; and I do not recall that any letter similar to this one was then sent to any Member of the Senate, with respect to that reduction, which was almost three times the one which has been

made in the current request. Furthermore, I should like to point out that at that time we were reducing very drastically the general spending in this area; but, even so, no such letter was transmitted to Congress by the President of the United States.

In this bill and this conference report we are decreasing by almost half a billion dollars the funds available to the executive branch in this area. I do not recall the exact amount, but I believe it is practically half a billion dollars; in fact, I am informed that it is \$490,543,000.

This is the smallest reduction made by the Congress since 1952 in the amount requested by the executive branch of the Government, for in the fiscal year 1959 we reduced it \$493 million, as compared with the \$490 million for the fiscal year 1962. So this is the smallest reduction, either dollarwise or percentagewise, that has been made in a request by the executive branch of the Government for funds for expenditure in this area during the 8 years of the Eisenhower administration. But, as I have said, I do not recall that heretofore we have received from the President letters dealing so vigorously with this subject.

Mr. LONG of Louisiana. Mr. President, will the Senator state what was the percentage of the cut in the administration's request?

Mr. RUSSELL. I am sorry that I do not have that information, although I shall ask the very capable clerk of the committee to make the calculation. But the percentage of production in 1953 was 24 percent. In 1954, it was 23 percent. In 1955, it was 19 percent. In 1956, it was 23 percent. In 1957, it was 20 percent. In 1958, it was 28 percent. In 1959, it was 12 percent. In 1960, it was 27 percent.

There appears to be a much smaller percentage this year. We shall have the figures for the Senator in a few moments.

Mr. LONG of Louisiana. I ask the Senator if he has run across an article from the Wall Street Journal in which it was said that the President asked for an additional 10 percent, feeling Congress had historically cut that amount, and that he would feel safe if it made a reduction?

Mr. RUSSELL. I do not recall reading that article, but people have speculated that there was a certain amount of padding in these requests, in anticipation of some reduction.

Mr. President, we have just gotten the percentage of reduction for 1961, and it is 13 percent, as compared with a 27-percent reduction last year, when we did not receive any letters of this nature.

Mr. CHAVEZ. Notwithstanding that they were given \$500 million more than they were given last year.

Mr. RUSSELL. Yes. I had stated that.

I think we ought to give careful attention to any request of the President of the United States, and I am prepared to do that in dealing with the supplemental appropriation. The distinguished chairman of the committee, the Senator from Arizona [Mr. HAYDEN], has stated he will be glad to do that. But, after all, the

Congress ought to have some rights and prerogatives in this area. I personally disagree with my colleagues in increasing this amount. I think we ought to start reducing the foreign aid program. This year it has been increased about \$500 million.

We have gone through the processes and have done the best we could. I noticed that there was a great deal of difference in the executive branch of the Government in dealing with different appropriations. The Armed Forces of the United States are a rather important element in preserving this country. Make no mistake about it, Mr. President, every one of the recipients of aid under this bill associated with us look to the military might of the United States, in the last analysis, to prevent any spreading of the Iron Curtain further to encompass the free peoples of this earth. They may talk about this foreign-aid program, and, naturally, they are all interested in it. They want to get as much of it as they can. But if one talks about it to them in the quiet of the rooms where these men who operate the nations of the world work, the men who guide their destinies, in the chancelleries of the world, and asks them what is the most important item for the preservation of the world among all the expenditures that are made, the honest answer in every case would be, "The Armed Forces of the United States"—the Army, the Navy, the Air Force, and the Marine Corps.

The Congress did not see eye to eye with the President of the United States in that area. It appropriated about \$1 billion more than he asked for, and he is not spending that money. But he says that the security of the country is threatened by the smallest reduction that has been made in 8 years in the so-called foreign-aid program.

I am not too greatly impressed with the letter, despite my great respect, and, indeed, my personal affection, for the man who signed it, and my very great respect for the Office of President of the United States.

Let us put first things first here now. Let us go ahead and say that the Congress has some rights, under its constitutional responsibility, with respect to the defense of the United States, and go forward with some of the programs which both the House and the Senate, after careful consideration, felt were necessary to the existence of a free people. Then we can come back next week and review the request.

The \$200 million in money that the President is insisting on was not included in the bill either in the House or the Senate, and it does not make any difference if the President sends back the bill agreed to in conference. Nothing could be done about it. We could not add about 40 percent of what he is asking, because it was not in the bill which came out of either House, and it would be a futile gesture even if 100 Senators wanted to give him all he asked for if he sent the bill back, because the \$200 million was not in the bill either in the House or the Senate.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may yield to the Senator from Florida for the purpose of his asking a question of the Senator from Georgia.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND. I ask the Senator from Georgia if it is not true that the only chance to get back any of that \$200 million would be to have it included in the appropriation bill which comes up for hearing tomorrow or next week?

Mr. RUSSELL. That is what I said. If all 100 Senators were to change their minds simultaneously and suddenly, we could not put the item in the conference report on the mutual security bill, because it was not in the bill before either House, and everybody knows—it is the first thing anybody learns when he comes to either branch of the Congress—that if anything is put in a conference report that was not originally put in the bill by either body of the Congress, that makes it subject to a point of order and can kill the whole bill. So a very sure way to kill the whole program would be to undertake to do that and send the entire bill back to committee.

I think the majority leader has made a very fair suggestion and a very wise suggestion—that we approve the conference report, as we ordinarily do, and then, in further discharge of our duty, and out of respect for the President of the United States, we should hear his representatives. Of course, the committee would be highly honored to have the President appear before us, but we know things are not done that way any more. George Washington was the first and the last President to appear before a committee of Congress. He came up to the Hill and appeared before a committee on the appointment of the Collector of Customs for the Port of Savannah, and the committee asked him a number of questions. The Georgia Senators were opposed to the nominee for Collector of Customs for the Port of Savannah, Ga. It is said by some irreverent soul that as George Washington left the Capitol, the Father of our Country was heard to say he was damned if that was not the last time he would ever come up to Congress. No President has come back since.

Mr. President, let us hear the President's spokesmen and representatives here, and we will deal with the matter fairly. We will make the record. Whether or not the committee puts the item in the bill, we will have the record made, the bill will be reported here, and those who wish to do so can have their chance to put in the \$200 million, which was not a part of the bill, either as it came from the Senate or the House, and which they could not put into the conference report under any circumstances, and give whatever reasons or any logic they may have for putting in any of the items that were gently nicked.

No violence was done to any of them. I think \$150,000 was the largest reduc-

tion taken out of the development loan program. Nearly 2 months of this fiscal year have already been concluded, and the administration has \$550 million of a \$700 million item available to it from now until January, when we shall have a new President.

We will get out of this political "mess" sometime in November and we will be able to view matters a little more objectively. We will be able to follow the customary procedures.

There is available to the present President of the United States from now until January, a period of 4 months, \$550 million of the \$700 million he asked for in that area. That is the only item with respect to which a very considerable sum was taken out. The others were very gently touched.

I venture to say, Mr. President, despite the diligence of those who operate the program that they could not commit the \$550 million between now and February 1 if they tried as hard as they could to do so. They have not done so up to now.

I think we should not be stampeded merely because we are laboring under rather difficult conditions. It is wise to follow the normal procedures and to approve the conference report. Then we can do something which is not ordinarily done. We can give the subject fair and careful consideration. We can give a new chance to everyone who serves on the Appropriations Committee. I assume hearings will be held before the full committee. All those who may now be fortified only with a political argument and not with the facts will have an opportunity to develop the facts and to present them before the Senate next week.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the question of agreeing to the conference report.

The yeas and nays were ordered.

Several Senators addressed the Chair.

Mr. JOHNSON of Texas. Mr. President, I yield to my colleague from Massachusetts first.

Mr. KENNEDY. Mr. President, very briefly, let me say to the Senate that I find it difficult, in view of the strength of the language in the President's letter, to understand how this conference report could have passed in the other body without a rollcall. If feeling is so strong that this is a question involving the highest national interest, I should think that at least 20 percent of the Members of the House would have insisted that they be recorded, and not merely leave the responsibility to the Senate.

Second. I feel that the members of the conference committee have done a careful job.

I think also that in the field of national security the President has a major constitutional responsibility. Even though the conferees may have considered the questions before them fully, if they did not make what I consider would have been a very wise decision—that the issues should be further explored and the administration given additional opportunities—and even though the judgment of the conferees may have been different from my judgment, I would not wish to deny to the President what he feels is necessary, in view of the strength of his letter.

I would never assume in an instance of this character that the President would be motivated politically. I therefore feel we should sustain his hand in a case such as this.

However, the procedure which has been suggested is really the best procedure. The conference report should be adopted. The members of the Appropriations Committee will then give the administration an opportunity to make its views known and to justify essential additional needs. Then the supplemental appropriation bill will be considered by the Senate. An opportunity will be available to the Members of the Senate to vote for the supplemental appropriation bill in the form it comes before the Senate or to offer an amendment to increase any particular appropriation which it is desired to increase.

It seems to me that this would be the orderly and more satisfactory procedure. It seems to me it would protect the interests of the President and of the administration, as well as the orderly procedures of the Congress. Therefore, I shall support this route.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. RUSSELL. I ask unanimous consent to have printed in the RECORD a chart showing the actions of the Congress in regard to the mutual security program for the years 1952 through 1960, inclusive, which shows the executive branch authorization request, the authorization by Congress, the executive branch appropriation request, the appropriation of new funds, the reduction comparing the appropriation with the authorization requested, and the percentage reduction comparing the appropriation with the authorization requested.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Mutual security program

[In millions of dollars]

Fiscal year	Executive branch authorization request	Authorization by Congress	Executive branch appropriation request	Appropriation of new funds	Reduction comparing appropriation with authorization requested	Percentage reduction—appropriation with authorization requested
1952.....	8,500.0	7,583.4	7,483.0	7,284.4	1,215.6	0.143
1953.....	7,900.0	6,492.7	6,492.7	6,001.9	1,898.1	.240
1954.....	5,927.1	5,255.6	5,124.5	4,531.5	1,395.6	.235
1955.....	3,448.1	3,024.6	3,438.5	2,731.5	666.6	.193

Mutual security program—Continued

[In millions of dollars]

Fiscal year	Executive branch authorization request	Authorization by Congress	Executive branch appropriation request	Appropriation of new funds	Reduction comparing appropriation with authorization requested	Percentage reduction—appropriation with authorization requested
1956.....	3,530.0	3,407.8	3,266.6	2,703.3	826.7	0.234
1957.....	4,760.0	4,115.1	4,860.0	3,766.6	993.4	.209
1958.....	3,864.4	3,386.9	3,386.9	2,768.8	1,095.6	.284
1959.....	3,942.1	3,676.6	3,950.1	3,448.9	493.2	.125
1960.....	4,430.1	4,676.8	4,430.0	3,225.8	1,204.3	.272

¹ Includes \$500,000,000, 1961.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield briefly to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, there are very few Members of this body, I think, who are more strongly in support of heavy mutual security appropriations than is the Senator from Pennsylvania. I have felt that every cent which the Senate Committee on Appropriations recommended and the Senate sent to conference was justified. I particularly deplore the action of the conferees in cutting the Development Loan Fund, which to my way of thinking is one of the greatest instruments of U.S. power in U.S. foreign policy. Were there no alternative, I would unhesitatingly join the Senator from Massachusetts in supporting the President's hand and in voting to reject the conference report, insisting that the full amount be appropriated by the Senate.

However, there is an alternative. This is a practical political question which confronts us. I think the majority leader has made a highly intelligent and sensible suggestion. I believe it would protect every interest of the administration. I believe it would give the administration an opportunity to ask for new and different mutual security funds which, as my friend from Georgia said, could not be granted under the present procedure.

Accordingly, I strongly urge my colleagues to support the majority leader and vote for the conference report.

Finally, if the question comes back to the Senate at a later date, I shall do my utmost to see that the cuts in the Development Loan Fund are restored, and that other appropriations desired by the President, which his representatives have justified in testimony before the Appropriations Committee, shall be given to him, because the security of the United States must rise above partisan, parochial, regional, and ancient shibboleths. We must stand up in the Congress of the United States to support the greatest possible strength of the United States in its effort to save the free world from communism.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Montana.

Mr. MANSFIELD. I think the majority leader has laid before the Senate a reasonable proposal. In doing so he is giving full credit to the President, as he should, on the basis of the remarks ad-

ressed to him by the President in a letter received this morning.

I think we should keep in mind that the President's letter is, in a certain sense, a precedent. As the Senator from Georgia pointed out, George Washington was the first and the only President to appear before the Congress. For reasons best known to him and perhaps to the Congress at that time, that precedent was not continued by George Washington's successors.

To the best of my knowledge this is the first time a President of the United States—at least, this President of the United States—has seen fit at the last moment to address to the leadership of both Houses a request that a conference report be rejected and that the full amount allowed by the Senate alone be considered.

If I may, I should like to ask a question of the Senator from Arizona [Mr. HAYDEN].

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may yield to the Senator from Arizona for the purpose of answering the questions of the Senator from Montana.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. How much is in the pipeline at the present time, roughly?

Mr. HAYDEN. Some \$4.7 billion. That is my information.

Mr. MANSFIELD. \$4.7 billion roughly is in the pipeline at the present time.

As I understand the suggestion of the majority leader—in which I concur—it is that we agree to the conference report, thereby showing our confidence and faith in our colleagues who worked long and hard in this particular instance. Then it will be up to the President to furnish in detail the reasons why he needs the extra money. As I understand, the chairman of the Committee on Appropriations will call the Committee on Appropriations together to give immediate consideration, during the consideration of the supplemental appropriation bill, to this matter. If it is justified, the Committee on Appropriations will bring it to the Senate, and it will be considered by the House also, I assume, before this Congress adjourns sine die.

Mr. HAYDEN. That is exactly the procedure we would follow.

Mr. MANSFIELD. I hope that procedure will be followed. If it is followed, I most respectfully suggest to the chairman of the Committee on Appropri-

ations, if the majority leader will allow me to do so, that instead of hamstringing the office of the Inspector General with the sum of \$1.2 million, that official should be given an open-end appropriation. Through that method we would save many millions of dollars in the administration of the aid program. The idea of reducing the amount for the office of the Inspector General is, to my way of thinking, an extremely poor way of practicing economy, because it would encourage waste. The Inspector General is in existence, by congressional authority, to do away with waste, duplication, and overlapping. He will do a good job. We have a very competent man in that office, Mr. John Murphy, who is well known and highly respected by the members of the Foreign Relations Committee. I hope sincerely that when the President sends up the additional request we will see that this office is given the additional funds it needs and that it should have.

I wholeheartedly support the suggestion of the senior Senator from Texas.

Mr. DIRKSEN. Mr. President, first I wish to make a comment on the fact that there was no record vote on the conference report in the House of Representatives. I would not wittingly do any harm to anyone, but I am advised that when the minority leader and others in the House left the floor temporarily to prepare a motion of recommittal, action was taken on the conference report. I have not verified it. I was given to understand that that was the case. From my own experience in the House over a long period of time I know how rapidly the question can be put on a conference report and how quickly a voice vote can be secured before a formal motion can be prepared. There is no opportunity to prepare a motion to recommit the conference report in the Senate, for when the House of Representatives has acted, their conferees are automatically discharged. So the motion to recommit in this body would not lie.

Consequently we are confronted with one or two alternatives. First, we may adopt the report or reject it.

It is not quite as simple as the majority leader has indicated. I will get to that point very directly. But I believe that I should read into the RECORD the letter that the President addressed to me. He addressed an identical letter to the majority leader today. He said:

THE WHITE HOUSE,

Washington, D.C., August 26, 1960.

The Honorable EVERETT M. DIRKSEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DIRKSEN: I am deeply disturbed by the action yesterday of the conference on the mutual security appropriation. I cannot state too strongly my belief that a cut of this size will jeopardize the security of the country.

I hope the Senate will reject the conference report, should the House approve it. Both political parties and all of the major national candidates are publicly committed to the support of an adequate mutual security program. No one can responsibly contend that this conference report and the amounts approved constitute adequacy in today's world.

In view of the worldwide scope of this program and the necessity for planning so far

ahead in such an effort, time is of the essence. These critical matters simply will not wait until the Congress returns in January, then to assess the results of its actions taken now. There is at the moment such an acceleration of events in the world that we must be forearmed at all times and ready to deal with critical situations as they develop. It must be evident to the Congress from the speed with which the situation in Africa recently developed that we must stay ready and that our free world security programs, economic and military, must be kept continuously adequate. Postponement of these funds needed now may irretrievably cripple us later.

I enclose a public statement that I have just released.

I am sending an identical letter to Senator JOHNSON and similar communications to the House leaders.

Sincerely,

DWIGHT D. EISENHOWER.

In addition to that letter the President made a public statement this morning and this is what he said:

I am gravely concerned by the conference action on mutual security appropriations.

I have repeatedly stated that the appropriation of the full \$4,086 million authorized is vitally needed. Moreover, needs which have developed since my original request, particularly the emergency in the Congo, have made necessary an additional \$100 million for the contingency fund.

This is significant. He said:

Only day before yesterday, by a 67-26 vote, the Senate approved the additional \$100 million and at the same time increased last month's House appropriation of \$3,584 million by \$297 million. The conference, while approving the \$100 million increase in contingency funds, virtually disregarded the Senate restoration in the basic mutual security budget. It accepted only \$31 million—one-tenth of the \$297 million restoration that the Senate had just overwhelmingly approved.

Mr. STENNIS. Mr. President, I ask the Senator from Illinois whether those figures do not overlook the fact that the conferees restored the \$42 million unexpended balance that had been omitted? Those figures do not show in the conference report; that is a fact, is it not?

Mr. DIRKSEN. It could be.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. DIRKSEN. I would rather not yield until I make a further statement. No Senator has yet opposed the conference report. It is significant to me that by more than 2½ to 1 we say, "Mr. President, we will give you \$100 million for your special fund," and then we reach out with the other hand and pull it back in the conference. That is a rather singular proceeding.

We are not merely dealing with the amounts in the bill. I read amendment 5, which the House wrote in:

Provided, That no part of this appropriation shall be used to initiate any project or activity which has not been justified to the House of Representatives and the Senate.

Where does that statement appear? In the technical cooperation program, the least controversial of all programs. So the House wrote in that provision and the Senate took it out. Then what did the Senate do? The Senate yielded, so that today these projects or activi-

ties, before they can be initiated, must be justified before the House and the Senate.

That sort of activity has been underway for a period of 10 years. ICA has had 10 years of experience in that procedure. A country-to-country agreement is set up, and what happens? The agreement cannot be consummated under technical cooperation until it is brought back here, if it is a new project.

How far can we go in tying the hands of the executive branch? We have completely negated the whole cooperative aspect of the technical assistance program, the one activity in which we took such a genuine pride.

That defect will not be cured in a supplemental bill, because the technical assistance program will not come before the supplemental subcommittee.

Let us look at another amendment, amendment No. 13, which the House wrote in:

The Office of the Inspector General and the Comptroller: Not to exceed \$1 million of the funds appropriated in this title shall be available to carry out the provisions of section 533A of the Mutual Security Act of 1954.

What did we do? Ten or eleven months ago we set up the Office of Inspector General and Comptroller. Now it is proposed that we deny them funds. Yet here is one agency, one operation, which is charged with looking at waste, extravagance, inefficiency, and maladministration. So we recede on it now and tie their hands. We cannot cure that situation in a supplemental appropriation bill.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HOLLAND. The amount was raised by the conference from \$1 million to \$1,200,000.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. RUSSELL. In the original budget request the administration asked for \$1,250,000 for that purpose. They got \$1,200,000, which is a pretty good sum.

Mr. DIRKSEN. What happened to amendment No. 13? The amount is \$1,200,000. Is that correct?

Mr. HAYDEN. Yes.

Mr. DIRKSEN. That is really something for a program of that kind.

Mr. RUSSELL. The administration asked for only \$1,250,000 in the original budget request. The reduction is only \$50,000 below the original figures requested by the administration.

Mr. DIRKSEN. It is infinitely more than that, because the Senate Chamber rings constantly with charges and allegations of waste in the program. I thought the Senate could have done infinitely better on that item.

I call attention to other language:

Funds appropriated under each paragraph of this title (other than appropriations under the head of military assistance), including unobligated balances continued available, and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for the same general purpose as such paragraph, which amounts are hereby continued avail-

able (except as may otherwise be specified in this title) for the same period as the respective appropriations in this title for the same general purpose, may be consolidated in one account for each paragraph.

I should like to ask the chairman whether that is not the so-called reobligation paragraph in the bill.

Mr. HAYDEN. Yes; it is.

Mr. DIRKSEN. If it is decided not to go through with a project, because something greater and better comes along, is it the sense of the paragraph that the funds cannot be reobligated for the new purpose?

Mr. HAYDEN. Yes; that is exactly it.

Mr. DIRKSEN. I thought that was the purpose of it. That is frightfully involved language, but that is what it does. So the flexibility has been taken out of the program.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HOLLAND. The fact is that there are two amendments together, Nos. 17 and 18. The House yielded on the principal one, which is No. 17. The Senator will find it is covered in the amendment adopted by the House. It was in disagreement, but the House yielded and agreed to an amendment before we would agree to omit No. 18.

Mr. DIRKSEN. The exact language is taken out. The language of amendment No. 18 was taken out. If there is a new project somewhere, the agency cannot reobligate the funds which had been obligated for a different project. That problem cannot be cured in a supplemental appropriation bill.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CHAVEZ. Testimony submitted before the conferees show that there were thousands of projects which had been started and on which, all of a sudden, it was decided not to proceed with them, and it was decided to deobligate the projects to start on different projects. We wanted Congress to know what it was all about before they could proceed. We felt the new projects should be approved first. We do not deprive the administration of the money. No one wants to deprive them of the funds. However, they had so much money that they had thousands of projects, even in one country, and all of a sudden they said, "No, we don't want that." Why should not Congress know about the situation?

Mr. DIRKSEN. The point I make is this: Suppose a supply of pharmaceuticals is to be sent to a country in Africa, and it is decided that the money should be used for textiles instead. What happens? If the money has been obligated for the first purpose, it cannot be reobligated for the latter purpose, even though it may be a very urgent project.

Mr. CHAVEZ. That is right. Why should not Congress know about it?

Mr. DIRKSEN. They have to come all the way back to the House and Senate and say, "You earmarked \$4 million for this project. We have discovered that there is a greater and more urgent need for something else. So now it is all at a standstill until we come back

and advise you that maybe we ought to have authority to reobligate these funds for another purpose."

We can not cure that situation in a supplemental bill, if I know anything about supplemental bills. I have sat with supplemental and deficiency appropriation committees many times. We can understand the President's concern. It is not merely with respect to the amount of the money; it is the restrictive device that we build into the law.

I have been heard to say from one end of the country to the other that it is not possible to operate a program of this kind without some waste and without some inefficiency. We cannot get the ablest people to go abroad and take these posts, and send them out to posts in Laos, Cambodia, or in Saigon or Bangkok, or Leopoldville, or any other place. Usually they will go, and then want to come right back. Our attitude in this field is a good deal different from that of other countries which have had far more colonial experience than we have had. Therefore, we cannot get the best people in the world with a background of business efficiency to go in on these programs. That is one of the difficulties we have.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. COTTON. I have been waiting to ask the Senator a question. I am glad the Senator has touched on the matter of restrictive language in the conference report. I have been waiting to ask a question on this point ever since the debate started.

If the distinguished minority leader can answer the question without violating any confidences, I would appreciate his doing so. The letter of the President has been read. I have listened intently to its reading. The distinguished minority leader also read a portion of the public statement issued by the President. In the portion that was read I did not hear that the President had expressed concern about the restrictive language. He mentioned only the dollar content of the conference report. Is it proper to ask the distinguished minority leader, who is obviously and naturally in touch with the President, whether the President is concerned about the restrictive language as well as with the dollar content? If it is only the dollar content, I feel that the suggestion of the majority leader and others about handling the matter in a supplemental appropriation bill might be a reasonable solution. However, if the President is concerned about the restrictive language, I fear it could not be handled in a supplemental bill.

Mr. DIRKSEN. I am glad to read this language from the President's statement:

Not only are the funds now provided by the conference inadequate, but also a number of administrative restrictions were retained which would impair the management of the mutual security program.

Therefore the President took account not only of the money involved, but of the language as well.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. DIRKSEN. I yield.

Mr. FULBRIGHT. I am not clear about the situation with respect to the restrictive provisions, such as the one on technical cooperation. If I understand correctly, if the majority leader's proposal to reinstate the money after a hearing on the supplemental appropriation bill is feasible, can such a restriction as this be removed in a supplemental bill?

Mr. DIRKSEN. It cannot.

Mr. FULBRIGHT. I am asking a question; I do not know.

Mr. DIRKSEN. If we go back, with this kind of language, and do not relate it to this program—and I was talking about technical assistance—we shall be venturing into the legislative field. Then we shall have difficulty.

Mr. FULBRIGHT. This proposal is legislative, too. Why is it that the same kind of legislation cannot be placed in the supplemental bill as in this bill? Appropriation bills are always full of all kinds of legislative provisions.

Mr. DIRKSEN. What will be the answer when it goes to the other body?

Mr. CASE of South Dakota. It would have to go back for a separate vote on the legislation.

Mr. DIRKSEN. Yes, indeed. The point I make is that there are restrictions in the mutual security bill, and it is quite doubtful whether the legislative restrictions will be cured and will untie the hands of a program like technical cooperation.

Mr. FULBRIGHT. I do not approve of this action at all. I think it is a very bad procedure, especially in this program, which is relatively small. It has been underway for a long time. I have never heard any serious criticism of it.

It reminds me of the same kind of limitations which the House Committee on Appropriations has placed on the exchange program, limitations which have gradually throttled it. A similar restriction has been imposed this year. In effect, no new activities can be undertaken. I think it would be utterly disastrous to the whole program to accept this kind of restriction.

Mr. DIRKSEN. I recognize the force of the majority leader's argument when he says that the Subcommittee on Supplemental Appropriations can take another look at this item. What will happen to these restrictions? If we were dealing only with dollar amounts, probably his suggestion would be a tolerable answer. When the next supplemental appropriation bill came over, the committee could take testimony and perhaps restore some of the funds.

But if this restriction is retained in the bill, what will be the impact all over the world, when people recognize the fact that instead of giving some flexibility to our technicians abroad, we are actually tying their hands and writing a kind of limited veto power into the appropriation bill?

Mr. FULBRIGHT. I do not object, of course, to the Senate or the House approving of projects as they are submitted

at the beginning of a year; but this kind of restriction would destroy any possibility of a change at all. There are bound to be some desirable changes in the course of a year. I cannot see any kind of justification for the proposed action.

Mr. DIRKSEN. The world being as fluid as it is, and so full of new suggestions arising constantly, frankly, I could not let this conference report go by in view of the President's expressed attitude.

It is an extraordinary occasion when he sends a communication to the majority leader and the minority leader. He feels deeply about it. He is charged with a responsibility under the program. If he felt that way and did not say so, he could well be charged with being recreant in his duty.

Mr. STENNIS. Mr. President, will the Senator from Illinois yield on that very point?

Mr. DIRKSEN. I yield.

Mr. STENNIS. I direct the Senator's attention to amendment numbered 5, on page 2 of the bill beginning on line 19. I read the provision which was the House amendment:

Provided, That no part of this appropriation shall be used to initiate any project or activity which has not been justified to the House of Representatives and to the Senate.

I was one of the conferees, and I propose to state the understanding which I had concerning the interpretation and meaning of this amendment.

In the first place, in line 21, the word "authorized" is not used, as that term is used to authorize a project. Instead, the word "justified" is used. That means that projects do not have to come before the Committees on Appropriations, as do flood control or harbor improvement projects, to be authorized, and then to have money appropriated specifically for them; the language merely is "justified."

We were told that the habit and practice has been, under these programs, to have the items or projects justified in the testimony, in the examination in the House hearings, and included in the Record at some place.

For instance, a forestry project would not be in an authorization bill which was before the Committee on Foreign Relations; it would not be spelled out in an appropriation bill; but it would be contained in the record of the hearings at some place, and would be justified.

If the project did not develop, for some reason, and it was desired to abandon it and to switch to the building of a road, under this amendment that could not be done until the new project had been referred to the Committees on Appropriations and had been justified in an informal way before the House and Senate.

The further representation was that as a practical matter the justifications will run for something like 12 to 18 months ahead of the actual expenditure of funds. So in order to exercise legislative will, in following up the appropriation after a matter had been approved as a project not formally authorized, but justified, it was considered reasonable, in the 12 to 18 months period, to require the Depart-

ment to come back, if it changed its mind and wanted to use the money for some other purpose. Then the second project would be justified, and the money could move forward without any reappropriation or anything else of that kind.

We believed that that interpretation was the correct one.

Certainly it is a restriction which is very reasonable and will bring to the system uniformity and understanding, rather than trouble or jeopardy with respect to any kind of program. It was for that reason that this provision was written into the law.

Mr. DIRKSEN. Suppose an independent state comes into being in Africa within the next couple of months. There is no project before us, which has been justified, for that new state. What will happen? We will not be able to move. It will not be possible to help that country, under this arrangement, unless the Department comes back to Congress for approval.

Mr. STENNIS. On that subject, the Senate provided an additional \$100 million, the main justification being to take care of situations which might develop in Africa. The first position of the House—and I think the House was sincere in it—was that it could not approve one dime of that amount. The authorization bill, in some way, had not passed. The House finally agreed to \$60 million. That is not a disclosure of any confidence. It finally went to \$100 million, and a part of the argument across the table was that some of these new projects might develop.

I myself believe that the African states have more immediate problems than forestry projects under technical aid. Anyway, the extra \$100 million was provided for the President's contingency fund.

Mr. DIRKSEN. The only difficulty is this: By voting, 67 to 33, we said, in effect, that there would be \$100 million additional in the special assistance fund. As things are now, we will provide \$100 million. But while we are doing that, we will take away \$265 million.

Mr. STENNIS. At the conference table there was no vote of 67 to 23. At the conference table, the talk was that not a single dime out of that \$100 million would be provided.

Mr. DIRKSEN. The vote in the Senate on that authorization was 67 to 23.

Mr. STENNIS. But we finally obtained it on the basis of the fact that the money has not yet been authorized, and the President has not signed the bill. But there is \$100 million in the bill for him.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. COTTON. I wish to get one thing clear. Regardless of the merits or the demerits of the restrictive language of the bill, is it not a fact that tonight, in acting on the conference report, we must settle the question once and for all, because if we accept the suggestions of the majority leader and the Senator from Massachusetts, and adopt the conference report, with the idea that the committee will listen fur-

ther to the President in regard to the restrictions with which he is concerned, any Member of either body could raise a point of order against legislation in an appropriation bill and a two-thirds vote would be required to alter these restrictions, even if the committee heeded the President of the United States and sought to alter them?

Mr. DIRKSEN. Yes.

Mr. CASE of South Dakota. Mr. President, it seems to me that one procedure which would not be contrary to the rules of either House would be to provide an additional amount for the technical assistance program, without making it subject to any limitation. I make this statement in an effort to be helpful.

I think it improbable that tonight the Senate will reject the conference report. So, if the report becomes law, the practical question will be, What can be done? If the President or the Secretary of State believes some funds should be appropriated in order to institute a program of technical cooperation, and in order to make that provision under a general authorization, that could be done by providing additional funds in a separate appropriation bill which would not necessarily be subject to this restriction.

Mr. DIRKSEN. That would be true except for the fact—and this point was made earlier today, I believe, by the distinguished Senator from Georgia [Mr. RUSSELL]—that we have to wait only 4 months until the first of the year. So who would finally raise that question in the Appropriations Committee, and say, "We are standing on the threshold of adjournment, and all of us wish to go home. Let us not write in any additional items, for this can wait until January"—notwithstanding the President's entreaty?

So the question then is, Would it be done?

I do not want this occasion to pass without raising my voice about the situation in the world and my feeling about it and about the President's assessment of the importance of this program.

Mr. BUSH. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. BUSH. In view of the presentation the Senator has made, I wish to ask him whether he thinks it likely that the President would sign the bill, or whether we would run the risk of being called back into session, in order to deal with this issue, if the conference report were agreed to.

Mr. DIRKSEN. I do not know. I know there is a general reluctance on the part of any President to disapprove an appropriation bill if he can possibly approve it; and that would be notably true at this season and this stage of the session. But I cannot say whether the President would disapprove this report and send it back to us, saying, "I think you should treat me a little better than you have done, in view of the unpredictable and uncertain situation."

Mr. BUSH. I raise the question because of the intensity of the President's feeling, as reflected in the letter.

Mr. DIRKSEN. Yes, it is quite evident.

Mr. STENNIS. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. STENNIS. Further in regard to amendment No. 5, cutting out all new starts and restricting the program, I refer the Senator to the statement by the managers for the House; I refer to the part relating to amendments Nos. 4 and 5. Amendment No. 5 is the one in question now, of course. They made this statement:

The conferees are in agreement that the President's Contingency Fund is available for any essential new starts.

Mr. CASE of South Dakota. Would that include the technical assistance programs?

Mr. STENNIS. Yes, that is correct.

That point was expressly made, before the Senate conferees would yield, to cover exactly the situation the Senator from Illinois has so properly raised. A few minutes ago I did not know about the availability of the report. But it is written exactly as the House conferees and the Senate conferees agreed—specially pointing out that this fund is available.

Mr. DIRKSEN. But the restriction is put on the entire technical assistance program as carried in the bill.

Mr. STENNIS. It is true, of course, that it is put on the technical cooperation program. But this clause takes care of any situation which might arise.

Mr. DIRKSEN. As a practical matter, that could work out. But suppose a very substantial portion of the fund were earmarked for an African country, and suppose some of the rest were earmarked for relief to those who have suffered from the earthquake in Chile—as was indicated when the message came to us. Then what would happen if a further need developed? Then there would not be enough remaining in the technical assistance fund, and then one would immediately be faced with the restriction on the money appropriated in this bill.

Mr. STENNIS. The bill assumes that the projects under technical cooperation would be put down carefully—in view of the fact that this part of the program is 7 or 8 years old—and that nothing would happen to them.

Mr. SCOTT. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. SCOTT. It has been suggested that this conference report be accepted, and that any other provisions we wish to make be handled by a separate measure. Is it the understanding of the Senator that a supplemental bill would be submitted at this session or in the next Congress?

Mr. DIRKSEN. At this session. That was the impression I got from the majority leader.

Mr. SCOTT. Then, as I understand the Senator's objection, it is that the difficulty with much of the restrictive language could not be cured by means of a supplemental bill, and that therefore the only way we can support the

President's position is by voting against the conference report. Is that correct?

Mr. DIRKSEN. Well, speaking for myself, I shall vote against the conference report, both as to the amount and as to these restrictive provisions.

Mr. SCOTT. But as I understand, we would not support the President if we voted in favor of agreeing to the conference report, unless, as the Senator has said, the matter referred to could be handled separately.

Mr. DIRKSEN. In view of the situations that are arising throughout the world, I do not wish to tie the hands of either President Eisenhower or his successor. Of course, everyone knows that the candidates are being briefed on the situations in the foreign field, so they will not be taken by surprise. And I would not vote to place on any President a restriction which would handicap him improperly.

Mr. HUMPHREY. Mr. President, I think the Senator's arguments are very persuasive, and I think the proposal to limit the President in the carrying out of his foreign policy is unwise.

I believe that two or three helpful suggestions have been made. I wish to say to the minority leader that if I found that nothing could be done in a supplemental appropriation bill to correct these limitations, then I would vote against the conference report, because I do not believe we should saddle the President or his successor, whoever he may be, with unworkable limitations.

Certainly the item in regard to technical assistance is a very severe limitation.

Is it not possible in a supplemental appropriation bill to reappropriate, as I believe the Senator from South Dakota [Mr. CASE] suggested, the sum of money that is appropriated for that purpose in this measure, but without the limitation—in other words, as regards the section of the mutual security bill which relates to technical assistance, literally reappropriate it in a supplemental bill, without the limitation?

Second, I think some of these funds were too severely cut, and I should like very much to see them increased. That is why I spoke earlier today about the possibility of a supplemental appropriation bill to take care of these items.

So my question is to the minority leader and to the members of the Appropriations Committee, in whom we have every reason to place confidence. First, is it possible to go over this bill and, where there are limitations which seem to be restrictive on executive flexibility, to reappropriate those funds under these particular items without limitation; and, second, have we some assurance that if a case is made—and I am sure a case can be made, because we voted funds here—for supplemental funds, those supplemental funds will be granted?

If the answer is the negative, I say to my colleagues it is a very serious thing to reject the Chief Executive, whoever he may be, or whatever political party he may belong to, in light of the letter, because I, for one, when we vote on this report, want to be sure we are not going to do something we will regret. We are

living at a time when we do not know what is going to happen. While I have had my arguments with executive policy, and will have some more, I certainly feel that if a man is to be held responsible for our foreign policy, and we Democrats are going to talk about it, we ought not to put handcuffs on him. If we are going to criticize him, then we ought to be willing to give to the President of the United States an opportunity to perform the services. Then if he does not perform them, criticism is valid in terms of its honesty and integrity.

Mr. DIRKSEN. Mr. President, this is a conference report. It has had the approval of the House. Under the House rules, the conferees are automatically discharged. When this conference report is approved, all the bill needs is the signature of the President, and we shall have made an appropriation. We cannot go back and get the same amount of money for the same thing twice. We might add a little something and then put a proviso in the bill that negates and nullifies the language in the bill. We might even provide that it should not apply to any other appropriation for technical assistance, but if we do, we are in the legislative field.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. But if there were no restriction, we would not be in the legislative field. If this bill should become law and there were restrictions on it subsequently, any proposal to change existing law would be legislation; but some additional appropriation for new funds could be made without restrictions, and it would be free from restriction.

Mr. DIRKSEN. The Senator has asked the question whether we could appropriate the amount anew. We can add to the appropriation, and we can write in a restrictive proviso.

Mr. CASE of South Dakota. Or leave it out.

Mr. DIRKSEN. Yes; or leave out the restrictive proviso. Then the question is, Will it be done?

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. DIRKSEN. Yes.

Mr. FULBRIGHT. I just had a chat with the Senator from Georgia [Mr. RUSSELL]. His position is that it is not legislation; it is a limitation. It looks like legislation to a layman; but we are told it is not. If it is a limitation, why is it not a further limitation which says, "Provided, That the former limitation is hereby repealed," just as much a limitation as this is a limitation?

Mr. DIRKSEN. I refer to the Parliamentarian and say that the Senator is imposing new duties every time a project is brought here from the committee.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CASE of South Dakota. The Senator from Georgia spoke to me as he went out on the very point the Senator from Arkansas brought out. The language as it appears is clearly a limitation,

and under the rules of both the House and the Senate a limitation on an appropriation bill does not impose additional duties and is not legislation. Limitations are the exception to the rule. It is a limitation, but once it becomes the law, then a proposal to change existing law is legislation.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield for a parliamentary inquiry?

Mr. DIRKSEN. Yes.

Mr. HUMPHREY. The parliamentary inquiry I should like to propound to the Chair is this: Is it possible for the Committee on Appropriations, in handling a supplemental appropriation, to reappropriate the funds under this particular act relating to technical assistance, without limitation, and make these other additions, or is there another way the funds under the act before us can be blocked and new funds can be appropriated without limitation?

The PRESIDING OFFICER. Reappropriation of unexpended balances is subject to a point of order, but if the limitations are limitations on the expenditure of the funds in the pending bill only, the Senate could appropriate additional funds in a supplemental appropriation bill which would not be covered by the limitations to be placed in the pending bill.

Mr. HUMPHREY. I did not get the latter part of the Chair's ruling on the parliamentary inquiry.

The PRESIDING OFFICER. The Senate could provide additional funds in a supplemental bill not covered by this limitation.

Mr. HUMPHREY. But what about the original funds in the bill? Can those be impounded?

The PRESIDING OFFICER. That is not a parliamentary inquiry, but the law empowers the Bureau of the Budget to impound such funds.

Mr. HUMPHREY. In other words, those funds could be impounded by the President of the United States, through the Bureau of the Budget, and the funds could be appropriated anew in a supplemental appropriation without limitation. Is that the situation?

The PRESIDING OFFICER. That is correct.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HOLLAND. I want to call attention to the fact that we are all becoming confused about several things. In the first place, the message of the President is not based on the full facts. It states the facts as far as it goes, but it does not state that \$42 million had been reappropriated out of unobligated balances on hand. So instead of confining itself to \$31 million of new appropriations other than the \$100 million of the contingency fund, there is \$42 million additional, making \$73 million that is available under the conference bill for the purpose of programing under the bill, in addition to the added \$100 million of the contingency fund.

The conferees who handled this bill know better, I think, than other Members of the Senate what we are up against in regard to the attitude of the

House. We felt that the biggest victory we could win was to have the House recede from its position and grant the \$100 million addition to the contingency fund, to which there would be no limitation and no restrictions, and which we felt would be more adequate to cover anything that might be tied up under these restrictions.

I am still of the very definite opinion that that \$100 million is much more than adequate. Certainly, it is more adequate than anything that could be called for if trouble developed between now and when Congress comes back in January.

The second thing I want to say is that there were many limitations, many restrictions, and many conditions in the bill which the administration wanted removed.

I have already said in my earlier remarks that the distinguished Senator from New Hampshire [Mr. BRIDGES] and the distinguished Senator from Massachusetts [Mr. SALTONSTALL] specifically and one by one produced those recommendations. A large number of them were finally accepted by the House, and the provisions of the conference report clearly show that fact. We did not get all of the restrictions removed, but we got so many of them removed that the conferees felt with complete assurance—the Senator from Florida has that assurance now—that the \$100 million of added money for the contingency fund would more than take care of any trouble which might arise under the few restrictions remaining in the bill.

The third point, Mr. President, is that these are not legislative enactments which are referred to as restrictions or limitations. These are simply restrictions and limitations on the use of funds appropriated.

The principal request of the President is for the appropriation of more money. It is as possible for the committee, for the conferees—if there are conferees on the supplemental bill—and for the Congress to enact appropriations covering new funds completely, free from restrictions as it was at the time this mutual security appropriation bill was before the Congress.

Mr. President, in the \$100 million of unlimited contingent funds already granted under the conference report, as well as in the other funds requested by the President to be appropriated, in addition to what is covered by the conference report, there is vastly more money than enough to cover any possible handicaps or embarrassments.

Mr. President, the next point is that we have not carefully read the message of the President and his statement which is attached. He does not even pretend that he is going to have trouble in the few remaining months of his administration. I read to Senators the last of his statement, which states the gist of the situation:

A congressional rejection of this request will hamper greatly the Nation's Chief Executive who succeeds me next January.

Even the President has not contended that between now and next January

there will be any embarrassment or serious handicap arising under the provisions of the bill, which is not liked by him and not liked by the Senate conferees. These provisions are much more helpful and much more nearly in accord with the administration's request than was the House bill.

I repeat that statement of the President:

A congressional rejection of this request will hamper greatly the Nation's Chief Executive who succeeds me next January.

He continues:

Upon him will fall the heavy responsibility of continuing to guide our country in a troubled world. He, no less than I, must have adequate funds to do the job.

The fact of the matter is that both as to the funds and as to the restrictions no problem of any consequence can arise under the conference report until well into next year.

It seems to the Senator from Florida that the suggestion made by the majority leader, that we have hearings on the supplemental bill which is before us, is a good one. The hearings were completed in the House yesterday, and the bill will come before the Senate in a very fortuitous condition. The Senate Committee on Appropriations thought at one time it would be asked to act first on the supplemental items, and we have completed hearings upon all the items which have come to us in the nature of supplemental budget requests. We did that before we knew the House was going to insist upon a new supplemental appropriation bill of its own, which we learned only 3 or 4 days ago.

The only matter of consequence which would require hearings of which the Senator from Florida knows is this very proposal, for which there is adequate time. The distinguished chairman of the committee has said specifically, as the majority leader has pledged himself specifically, that adequate time will be granted for full attention.

Mr. President, I appreciate the indulgence of the Senator. Perhaps I have abused it. I hope not. I close with one more statement.

The Senator from Florida thinks he knows the temper of the House conferees. Instead of jeopardizing the supplemental bill, which we may or may not jeopardize by hearings tomorrow and by any action the Appropriations Committee may recommend, we are going to jeopardize this large and important bill if we insist upon the position which apparently some Senators wish to insist upon.

So far as the Senator from Florida is concerned, he will ask to be relieved from the conference committee if the bill goes back, because he has fought as hard as he knows how to fight through one of the most disagreeable conferences he has ever attended, and he has seen his colleagues do the same.

When we have returned to the Senate with the statement that we have corrected the majority of the things and have held onto much of the money including the \$100 million contingent fund, along with the additional \$73 million, we

are entitled to be heard by our colleagues with some degree of acceptance of our verdict as to the situation.

The Senator from Florida thinks we are asking for much greater trouble if we ask for an additional conference on the bill than will be true if we attempt to go into the proposal tomorrow upon the basis of hearings on the supplemental bill, which we have to have tomorrow, and to which we are inviting the administration to come and be heard.

The Senator from Florida has been criticized frequently for standing with the administration on the Development Loan Fund request and on other requests in this field. He thinks the administration is unduly alarmed about the proposal. The very fact that the communication does not show the availability of the \$42 million of unobligated funds for new work indicated that the administration does not have a complete grasp of the picture.

The Senator from Florida thinks the conference report should be approved by all means. The problem should be reduced to one of what we shall do with respect to the supplemental appropriation bill.

Mr. DIRKSEN. Mr. President, I must say to the distinguished Senator from Florida that my heart fairly bleeds and throbs for him, because I served on the very same conference committee on the same bill for years. I discovered that at the hour of 2 o'clock in the morning, in a conference room, some of my drive and some of my combativeness begin to subside a bit. We fought everlastingly. I know what a fight this bill is.

Of course, Mr. President, I had to have my day in court. I have had it. I yield the floor.

Mr. JAVITS. Mr. President, I think what is involved here is much more critical than what we can do under the parliamentary rules.

We talk a great deal about the prestige of the United States, its standing in the world, and whether it has the quality to lead the world. We hear much from the political candidates to the effect that our prestige is high or that it has sunk to a new postwar low.

We are sworn, whatever may be our party, to do our duty. I should like to have my colleagues listen to the words from the President of the United States, one of the men in the world, who has the greatest prestige, who is about to go out of office. Those words are as follows:

I cannot state too strongly my belief that a cut of this size will jeopardize the security of the country.

I repeat those words:

I cannot state too strongly my belief that a cut of this size will jeopardize the security of the country.

Mr. President, that is what we ought to be talking about—not the niggling question as to whether we can or cannot act in a supplemental appropriation bill, but whether it will or will not jeopardize the security of the country.

Sometimes the newspapers see these things a little better than we do. The

New York Times today has the following to say on this subject:

The more responsible Senate restored many of the cuts by voting \$3,989 million, but its courage ran out yesterday—

I repeat:

but its courage ran out yesterday.

The New York Times is absolutely right, and this is why: We have heard a lot of justification on the floor today by very distinguished Senators who make what the lawyers call *ex post facto* justifications.

I have been in this body for 4 years. We make a battle for the mutual security appropriation in the Senate, and then what happens? The conferees go out the door. On one occasion they came back in 3 hours—not a very long time. They came back in 3 hours, and they split the difference. Every newspaperman in the gallery can tell us what the mutual security appropriation is going to be the minute the House passes its bill and we pass ours. The conferees will split the difference.

Are we going to split the security of the United States? That is the question the President of the United States is asking. Look at the figures. If the House votes for an appropriation of \$3,300 million and the Senate authorizes \$3,100 million, it ends up by being split at \$3,200 million. If the vote in the Senate, as it was, authorizes \$3,900 million, and the House passes or approves an appropriation of \$3,500 million, it comes back from conference with a provision for \$3,750 million.

This is absolute nonsense, and the reason for it is that we have not stood up on our hind legs in the Senate and made our conferees do what we voted. We can vote anything we like in a supplemental appropriation; our conferees still will not stand by it, and they probably will not on this issue because most of them have already agreed on the bill.

Senators stand here and talk about being agents of the Senate. When? When have they fought for the Senate figure completely?

The House seems to be very thoroughly dug in, and I will give an example of that. But we in the Senate do not seem to be dug in. We shall not get anything on the mutual security appropriation, and the horse is thoroughly out of the stable now, I can assure the Senate. No matter how much we flap our wings and jump up and down, this will be what it will be.

The only way we shall get anything we wish in the mutual security appropriation that will not infuriate everybody who stands here in an attempt to get the Senate to do something, only to see his attempts go down the drain, is to instruct our conferees before they walk out the door. Then the Senate will really be tough. When we appoint our conferees, there is not a minute in which they can be given instruction. Someday I would like to see the Senate show that it means what it says by instructing its conferees not to yield until they come back to the Senate for a vote, and then we shall see a mutual security appropriation that will command some respect in terms of what the Senate wants.

Let me give a practical example of what is going on. The House of Representatives wrote a provision in the mutual security appropriation, which is item No. 26—not in this report, I assure the Senate—reading as follows:

None of the funds herein appropriated shall be used to finance any of the activities under the investment incentive fund program.

The investment incentive fund program would cost the large amount of \$2 million, and the money would provide for the establishment of an agency to help in a program to attract private investment to the lesser developed areas of the free world.

I ask Senators what could be more critically important to the private enterprise system, to the efforts to increase materially the development of the less developed areas, to our own dignity and pride in what we ourselves believe, than such a program as we so modestly request.

The House, for whatever reason it dislikes the program, inserted an absolute prohibition against the use of money for that purpose. We just as promptly took it out.

What happened? Our conferees go to conference and the prohibition is back again, the same restriction the conferees have now agreed to on the investment incentive fund. Why? Because the House of Representatives is a little more dug in on this subject than we are. I mean no disrespect to our conferees. They are among our most distinguished and most senior Senators. But somehow or other the House, when it comes to the mutual security appropriation, seems to be more dug in, more convinced of its negative position—and that is what it is—than does the Senate in its affirmative position.

Every once in a while we are jacked up. Something happens, some bolt out of the blue. The President has never said a word, but now he suddenly speaks up.

I agree with the Senator from Texas [Mr. JOHNSON]. He has never done this before. He should have done it before. He is the President of my party and he should have done it before. But at last he has.

Let this action ring the bell for all of us. The report will be accepted. We all know that. It will be approved. But let us have a big chorus of "no" votes at least to begin to firm up our backs on this practice of the Senate, which I have watched almost in despair year after year here in the Senate, which restores, makes magnificent speeches, and supports my friend and colleagues, the chairman of the Foreign Relations Committee, who fights for these measures with his last breath, then he goes out the door, and 3 hours later, 2 hours, or a day, he brings back the conference report, and down the drain many projects have gone. It is high time that we quite following that practice.

Mr. President, I shall vote "no" on the conference report if I am the only Senator who votes in that way.

I ask unanimous consent that an editorial appearing in the New York Times, issue of August 26, 1960, be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OUR SECOND FRONT

With the platforms and presidential candidates of both parties pledged to support a vigorous mutual security program as our second line of defense against the Communist challenge, Congress is now called upon to make good these pledges by appropriating the necessary funds, a large part of which will be spent by the next President. But as usual in politics, pledges and promises tend to outrun performance.

President Eisenhower, after trimming much larger departmental requests, asked Congress for \$4,175 million in military and economic aid. This was nearly a billion dollars above the previous year's appropriation, but the increase was imperative because unspent balances which had covered up previous cuts had become exhausted. In recognition of this fact, Congress did authorize an enlarged program, but still cut the total to \$4,086,300,000. Then began the silly annual game of "sham economy" to slash actual appropriations way below the authorization. This game was won by the House, which cut the program by \$590,500,000.

The more responsible Senate restored many of the cuts by voting \$3,989,055,000. But its courage ran out yesterday when, following convenient custom, the Senate-House conference split the difference between the two Chambers and fixed the final figure at \$3,722,350,000.

Considering that opponents of the program had sharpened their axes for a cut of a billion and a half dollars, one must welcome the fact that the program was saved at all. But the cuts may seriously impair some of the program's objectives. The most serious cut in view of the present world situation is the reduction in the \$2 billion requested for military assistance. As the President has pointed out, this assistance helps our allies and friends to maintain 5 million men, 30,000 planes, and 2,200 warships for the collective defense on which our whole defense strategy is based. The cut will not only tend to weaken this defense but might call for a far more costly increase in our own Military Establishment.

At the same time, the mutual security program has also been turned into a weapon for the defense of the Americas by authorizing the President to bar aid to any country aiding Castro's Cuba militarily or economically—which would bar further aid to Poland—or giving military aid to Trujillo's Dominican Republic. In contrast it grants \$100 million requested by President Eisenhower for aid to the troubled Congo and other African areas.

The mutual security program is, of course, only one facet of the monumental aid extended by free nations to their underdeveloped neighbors, and the United States is still doing more than its share in that enterprise. It must be hoped that other nations grown prosperous with American aid will now take up an increasing part of the burden for our common salvation.

Mr. JAVITS. Mr. President, I yield the floor.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the conference report.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the senior Senator from California [Mr. KUCHEL]. If he were present and voting he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore I withhold my vote.

Mr. WILLIAMS of Delaware (when his name was called). On this vote I have a pair with the senior Senator from Massachusetts [Mr. SALTONSTALL]. If he were present and voting he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Illinois [Mr. DOUGLAS], the Senator from Indiana [Mr. HARTKE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Florida [Mr. SMATHERS] is necessarily absent.

I further announce that, if present and voting, the Senator from Illinois [Mr. DOUGLAS], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. CURTIS], the Senator from Arizona [Mr. GOLDWATER], the Senator from Kentucky [Mr. MORTON], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from California [Mr. KUCHEL] is absent because of illness, and his pair has been previously announced.

The Senator from Iowa [Mr. MARTIN] is absent by leave of the Senate on official business.

The Senator from North Dakota [Mr. YOUNG] is detained on official business.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES], and the Senator from North Dakota [Mr. YOUNG] would each vote "yea."

The pair of the Senator from Massachusetts [Mr. SALTONSTALL] has been previously announced.

The result was announced—yeas 57, nays 24, as follows:

[No. 312]

YEAS—57

Anderson	Gruening	Magnuson
Bartlett	Hart	Monroney
Bible	Hayden	Morse
Burdick	Hill	Moss
Butler	Holland	Mundt
Byrd, W. Va.	Humphrey	Muskie
Cannon	Jackson	Pastore
Carroll	Johnson, Tex.	Proxmire
Case, S. Dak.	Jordan	Randolph
Chavez	Kefauver	Robertson
Church	Kennedy	Russell
Clark	Kerr	Schoeppel
Dodd	Lausche	Smith
Eastland	Long, Hawaii	Sparkman
Ellender	Long, La.	Stennis
Engle	Lusk	Symington
Ervin	McCarthy	Talmadge
Gore	McGee	Williams, N.J.
Green	McNamara	Young, Ohio

NAYS—24

Aiken	Cotton	Javits
Allott	Dirksen	Johnston, S.C.
Beall	Dworschak	Keating
Bennett	Fong	McClellan
Bush	Frear	Prouty
Carlson	Fulbright	Scott
Case, N.J.	Hickenlooper	Thurmond
Cooper	Hruska	Wiley

NOT VOTING—19

Bridges	Hennings	Saltonstall
Byrd, Va.	Kuchel	Smathers
Capehart	Mansfield	Williams, Del.
Curtis	Martin	Yarborough
Douglas	Morton	Young, N. Dak.
Goldwater	Murray	
Hartke	O'Mahoney	

So the conference report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 12619, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
August 26, 1960.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 14, 16, 17, and 39 to the bill (H.R. 12619) entitled "An Act making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes", and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered three, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert: including not less than \$35,000,000 for Spain

That the House recede from its disagreement to the amendment of the Senate numbered twenty-two, and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

"SEC. 101. (a) Within sixty days following the date of enactment of this Act, the President shall transmit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a report containing a full and complete revision of the data presented to such committee in justification of appropriations requested for the Mutual Security program for the fiscal year 1961, showing any changes in such program approved subsequent to such presentation, including changes necessary to reflect actual appropriations for the program.

"(b) Within thirty days following the approval of any change in the mutual security program for the fiscal year 1961, which will result in furnishing assistance of a kind, for a purpose, in an area, or in an amount, different from that described in the report transmitted under subsection (a), and which in-

volves \$1,000,000 or more, or 5 per centum of the amount appropriated under any paragraph of this title whichever is the lesser, the President shall transmit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a full and complete report of such change and the reasons therefor.

"(c) This section shall not apply to programs authorized by section 451 of the Mutual Security Act of 1954, as amended.

"(d) None of the funds herein appropriated shall be used to carry out any provision of chapter II, III, or IV of the Mutual Security Act of 1954, as amended, in any country or with respect to any project or activity, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering Mutual Security legislation, appropriations, or expenditures, has delivered to the office of the head of any department or agency carrying out such provision, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in its custody or control relating to the administration of such provision in such country or with respect to such project or activity, unless and until there has been furnished to the General Accounting Office, or to such committee or subcommittee, as the case may be, (1) the document, paper, communication, audit, review, finding, recommendations, report or other material so requested, or (2) a certification by the President that he has forbidden the furnishing thereof pursuant to such request, and his reason for so doing."

That the House recede from its disagreement to the amendment of the Senate numbered thirty-one, and concur therein with an amendment, as follows:

Change the section number from "108" to "109".

That the House recede from its disagreement to the amendment of the Senate numbered thirty-three, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

"SEC. 110. None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or which furnishes, by grant or loan, any military or economic aid to that regime, unless the President determines that the withholding of such assistance to such country would be contrary to the national interest."

That the House recede from its disagreement to the amendment of the Senate numbered thirty-five, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

"SEC. 111. None of the funds provided in this title shall be available for assistance to any country the government of which sells arms, ammunition, or implements of war to any country in Latin America being subjected to economic or diplomatic sanctions by the Organization of American States, unless the President determines that the withholding of such assistance to such country would be contrary to the national interest."

Mr. HAYDEN. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 2, 3, 22, 31, 33, and 35.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to.

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table reflect-

ing the amounts in the budget estimate, the Senate and House bills, and the conference report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mutual security and related agencies appropriation bill, 1961

TITLE I—MUTUAL SECURITY

Item	Appropriations, 1960	Budget estimates, 1961	House bill	Senate bill	Conference amount
FUNDS APPROPRIATED TO THE PRESIDENT					
Military assistance.....	\$1,300,000,000	\$2,000,000,000	\$1,800,000,000	\$1,800,000,000	\$1,800,000,000
Defense support.....	695,000,000	724,000,000	600,000,000	675,000,000	610,000,000
Technical cooperation, general authorization.....	150,000,000	172,000,000	150,000,000	172,000,000	150,000,000
United Nations expanded program of technical assistance.....	30,000,000	33,000,000	33,000,000	33,000,000	33,000,000
Technical cooperation programs of the Organization of American States.....	1,200,000	1,500,000	1,500,000	1,300,000	1,300,000
Special assistance:					
General authorization.....	245,000,000	268,500,000	206,000,000	256,000,000	230,000,000
Special authorization.....	¹ (50,000)		¹ (1,500,000)	1,500,000	1,500,000
Intergovernmental Committee for European Migration.....	7,371,000	10,000,000	10,000,000	6,700,000	6,700,000
Program of United Nations High Commissioner for Refugees.....	1,100,000	1,500,000	1,300,000	1,300,000	1,300,000
Escapee program.....	4,632,000	3,500,000	3,500,000	3,350,000	3,350,000
United Nations Children's Fund.....	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
United Nations Relief and Works Agency.....	25,000,000	18,500,000	16,500,000	16,500,000	16,500,000
North Atlantic Treaty Organization science program.....		1,800,000	1,200,000	1,200,000	1,200,000
Ocean freight charges.....	1,910,000	2,000,000	2,000,000	2,000,000	2,000,000
General administrative expenses.....	38,000,000	40,000,000	38,000,000	40,000,000	38,000,000
Administrative and other expenses.....	8,100,000	8,300,000	8,000,000	8,000,000	8,000,000
Atoms for peace.....	1,500,000	3,400,000	1,500,000	1,500,000	1,500,000
President's special authority and contingency fund.....	155,000,000	275,000,000	150,000,000	250,000,000	250,000,000
Total, funds appropriated to the President.....	² 2,675,813,000	³ 3,575,000,000	3,034,500,000	⁴ 3,281,350,000	3,166,350,000
CORPORATION					
Development Loan Fund.....	500,000,000	700,000,000	550,000,000	700,000,000	550,000,000
Limitation on administrative expenses, Development Loan Fund.....	(1,820,000)	(2,150,000)	(1,800,000)	(2,150,000)	(1,800,000)
Total, title I, mutual security.....	3,225,813,000	4,275,000,000	3,584,500,000	3,981,350,000	3,716,350,000

TITLE II—DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

RYUKYU ISLANDS, ARMY					
Administration.....	\$5,282,000	\$6,704,000	\$5,250,000	\$7,704,000	\$6,000,000
Construction of power systems, Ryukyu Islands.....	18,000,000				
Total, title II, Department of the Army, civil functions.....	23,282,000	6,704,000	5,250,000	7,704,000	6,000,000

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on administrative expenses, Export-Import Bank of Washington.....	(\$2,500,000)	(\$2,675,000)	(\$2,675,000)	(\$2,675,000)	(\$2,675,000)
Grand total.....	3,249,095,000	4,281,704,000	3,589,750,000	3,989,054,000	3,722,350,000

¹ The equivalent in local currencies.

² In addition, all unobligated balances continued available as proposed in H. Doc. 188.

³ In addition, all unobligated balances estimated to be \$52,514,000 continued available.

⁴ In addition, Senate bill recommended unobligated balances amounting to \$42,514,000 be continued available.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the conference report was agreed to.

Mr. ELLENDER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 2131. An act to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia approved May 25, 1954, as amended;

S. 2306. An act to exempt from taxation certain property of the National Woman's Party, Inc., in the District of Columbia;

S. 3415. An act to exempt from taxation certain property of the American Association of University Women, Educational Foundation, Inc., in the District of Columbia;

S. 3737. An act to authorize the bonding of persons engaging in the home improvement business, and for other purposes; and

S. 3834. An act to increase the maximum

amount which may be borrowed by the District of Columbia for use in the construction and improvement of its sanitary and combined sewer systems, and for other purposes.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H.R. 4059. An act to amend title 28 of the United States Code relating to actions for infringements of copyrights by the United States;

H.R. 10921. An act to amend section 35 of chapter III of the Life Insurance Act for the District of Columbia; and

H.R. 12533. An act to amend the Migratory Bird Treaty Act to increase the penalties for violation of that act, and for other purposes.

The message further announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H.R. 7124. An act to require the payment of tuition on account of certain persons who attend the public schools of the District of Columbia, and for other purposes;

H.R. 11188. An act for the relief of Edward S. Anderson; and

H.R. 11813. An act to amend the Menominee Termination Act.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4826) for the relief of Arthur E. Collins.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6597) to revise the boundaries of Dinosaur National Monument and provide an entrance road or roads thereto, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 2565) to promote effectual planning, development, maintenance, and coordination of wildlife, fish, and game conservation and rehabilitation in military reservations; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BONNER, Mr. BOYKIN, Mr. GEORGE P. MILLER, Mr. TOLLERSON, and Mr. VAN PELT were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 5068) to amend the Shipping Act, 1916, to provide for licensing independent foreign freight forwarders, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BONNER, Mr. GEORGE P. MILLER, Mr. DINGELL, Mr. MAILLIARD, and Mr. DORN of New York were appointed managers on the part of the House at the conference.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I understand that the Senator from Oklahoma [Mr. KERR] desires to call up the conference report on the social security bill. He is prepared to move that the report be taken up, if he can be recognized.

Mr. KERR obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator from Oklahoma yield for a moment?

Mr. KERR. I yield, provided I do not lose the floor.

Mr. DIRKSEN. While Senators are in the Chamber, I should like to ask the majority leader what the schedule will be for the rest of this evening.

Mr. JOHNSON of Texas. That will depend on the progress which is made on the social security conference report. If we can conclude action on it at a reasonable hour, it is planned to call up 2 or 3 bills reported from the Committee on Finance which are non-controversial. Then we plan to conclude our deliberations for today and go over until probably 11 or 12 o'clock tomorrow. At that time we shall continue with the pending business and some other bills on the calendar which should be considered, and also any other conference reports which may be available at that time.

Mr. DIRKSEN. Mr. President, will the majority leader yield further?

Mr. JOHNSON of Texas. I yield further.

Mr. DIRKSEN. I had rather hoped that even if the supplemental appropriation bill were ready, the progress we have made today, and the progress I hope we shall make tonight on the medicare conference report, would make it possible for us to get a day off tomorrow to catch up with correspondence, restore energy, and repair all the impairments of the spirit. This is not done, I assure the Senate, to embarrass anyone, including the majority leader. I thought, under the circumstances, and because there may be nothing too pressing, and inasmuch as the House has gone over until Monday, perhaps we could indulge ourselves a holiday tomorrow.

Mr. President, I had hoped I could elicit some comment from the majority leader.

Mr. JOHNSON of Texas. Mr. President, I told the Senator privately, and I have repeated to him publicly, that we have much public business to attend to. I understand the Senator's position every Saturday, but many Senators want to conclude with this session and

finish the people's business; and much of it remains unfinished.

I do not know how long we shall have to remain in session tonight. I hope we may adopt the medical care conference report at an early time. In any event, because I was unable to get unanimous-consent agreements on the pending business and on other measures, I have no alternative except to ask the Senate to remain until the business is finished.

I hope the Senator will accept that.

Mr. DIRKSEN. Oh, Mr. President, I will accept it. I had hoped I saw a little gleam of charity in the majority leader's eye, and that he would look kindly upon the suggestion that Saturday might be a holiday. I see a number of Senators nodding their heads in rather an affirmative fashion, meaning that they would like to go back home and make some speeches, too. However, I have considered myself a captive here. I have remained here. But I discover that every so often I have to have a little time off for what I call nerve repair.

I thought I could still persuade the majority leader that he might be charitable, that he might be merciful, under these circumstances.

I ought to tell him the story about Napoleon, when a youngster was found asleep at his post. Napoleon ordered him to be executed.

The mother came to importune Napoleon and said, "I ask for mercy."

Napoleon said, "I can find no justification."

She said, "Sire, I did not ask for justice; I asked for mercy and compassion."

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. BUTLER. I think we should stay here and do the public business, if there is any to be done. But there has been very little done here. If we are to do it, let us do it, and not get off on Saturday or Sunday or any other day. Let us do the public business. But precious little of it has been done here so far.

Mr. DIRKSEN. The trouble is that my distinguished friend lives only 40 miles from Washington. [Laughter.]

Mr. BUTLER. I still know what is going on in this session and in the Chamber; and very little public business has been done here.

Mr. DIRKSEN. I suppose, Mr. President, it is an accepted fact that we shall come in at 11 o'clock tomorrow morning, so I accede to the majority leader's plans.

Mr. JOHNSON of Texas. Let us see how we progress.

Mr. BUTLER. Let us make it 11:30 and be "palsy walsy."

Mr. DIRKSEN. I have nothing further to say.

Mr. ERVIN. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield, provided I do not lose the floor.

Mr. ERVIN. The Senate's vote on whether to approve or reject the conference report on the mutual security bill was somewhat like the question: "Have you stopped beating your wife?" A person who had never beat his wife could not answer that question very

well. If he said "Yes," he would admit he had been beating his wife, but had quit beating her. If he answered, "No," he would admit that he had not only been beating his wife, but was continuing to do so.

The question we just voted on—that with reference to the conference report on the mutual security bill—was like the question to which I have just referred. I voted "yea," not because I approved the amount of the appropriation sanctioned by the report of the conference committee, but because I was opposed to the proposition that the conference report be rejected and that the conference committee be permitted to increase the amount of the appropriation.

I thank the Senator from Oklahoma for yielding.

Mr. LAUSCHE. Mr. President, will the Senator from Oklahoma permit me to ask a question of the Senator from North Carolina?

Mr. KERR. Yes, if I may do so without losing my right to the floor.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Without objection, it is so ordered.

Mr. LAUSCHE. Do I correctly understand that the Senator from North Carolina voted "yea," although he contemplated voting "nay," because he was afraid that if he voted "nay," he would be saying "yea"? [Laughter.]

Mr. ERVIN. I would say to the Senator from Ohio that the Senator from North Carolina is not afraid of either proposition. The Senator from North Carolina voted "yea" because he was against both sides of the proposition, but he was more against the negative side than he was against the affirmative side. [Laughter.]

Mr. JORDAN. Mr. President, will the Senator from Oklahoma yield for 1 minute to me?

Mr. KERR. Yes, happily, in just one moment.

Mr. President, I am greatly disappointed in myself, because after having listened to the remarks of the two distinguished Senators—one from North Carolina and one from Ohio—I feel that I should be in a more enlightened condition than I was before; yet I hesitate to claim that I am—although I must not deny it, for fear of reflection upon them. Yet I cannot claim it, for fear someone would ask me in what degree and on what basis. [Laughter.]

But I am glad the Senator from North Carolina expressed himself, because he expressed my own sentiments. When the Senator from Ohio asked him if he were afraid with reference to that particular proposition, he answered by saying he was afraid of nothing; and I cannot decide in my own mind whether in the absence of anything he was unafraid, or whether he was still unafraid regardless of what he was in the presence of; and I cannot reconcile that conclusion in my mind with the dilemma he described when he referred to the question which had been asked him—as to whether he had stopped whipping his wife. [Laughter.] If it was not fear that put him in the position of declining to answer that question, I must say

Public Health Service, or as a disability annuity payable under the provisions of section 831 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1081; 60 Stat. 1021)."

"SEC. 52. The following headings and sections in the Foreign Service Act of 1946, as amended, are hereby repealed:

"(1) Section 442 of such Act and the heading thereto.

"(2) Section 525 of such Act and the heading thereto.

"(3) Section 576 of such Act and the heading thereto.

"(4) Section 577 of such Act and the heading thereto.

"SEC. 53. Any person who occupies a position in the Department of State to which he was appointed by the President, by and with the advice and consent of the Senate, at the time that he was an active Foreign Service officer, and who while holding this position has retired for age as a Foreign Service officer, and who on the effective date of this section, continues to hold such position is hereby reinstated, effective as of the date of such retirement, to active status as a Foreign Service officer and shall be entitled to all the provisions of the Foreign Service Act of 1946, as amended, as though he had never retired.

"SEC. 54. Notwithstanding the provisions of this Act, existing rules and regulations of or applicable to the Foreign Service of the United States shall remain in effect until revoked or rescinded or until modified or superseded by regulations made in accordance with the provisions of the Foreign Service Act of 1946, as amended by this Act, unless clearly inconsistent with the provisions of this Act or the provisions so amended.

"SEC. 55. Notwithstanding any other provisions of law, any Foreign Service staff officer who accepted an appointment as a Foreign Service Reserve officer in the Department of State during the period beginning September 1, 1958, and ending December 31, 1958, both dates inclusive, shall not be separated from the Foreign Service before the expiration of his original appointment as a Foreign Service Reserve officer, except as authorized by section 637 of the Foreign Service Act of 1946, as amended.

"SEC. 56. (a) The provisions of this Act shall become effective as of the first day of the first pay period which begins more than thirty days after the date of enactment of this Act, except as provided in paragraphs (b), (c), (d), and (e) of this section, and except as otherwise provided in the text of this Act.

"(b) (1) The provisions of paragraph (c) (1) of section 803 of the Foreign Service Act of 1946, as amended by section 31(b) of this Act, shall become effective on the first day of the first month which begins more than one year after the date of enactment of this Act, except that any Foreign Service staff officer or employee, who at the time this Act becomes effective meets the requirements for participation in the Foreign Service Retirement and Disability System, may elect to become a participant in the System before the mandatory provisions become effective. Such Foreign Service staff officers and employees shall become participants effective on the first day of the second month following the date of their application for earlier participation.

"(2) The provisions of paragraph (c) (2) of section 803 of the Foreign Service Act of 1946, as amended by section 31(b) of this Act, shall become effective on the first day of the first month which begins more than three years after the date of enactment of this Act.

"(c) The amendment made by section 33 of this Act, with respect to a contribution to the Foreign Service Retirement and Disability Fund to be made by the Department, shall become effective July 1, 1961.

"(d) The amendment made by section 41 of this Act shall take effect on the first day of the first month which begins more than thirty days after the date of enactment of this Act.

"(e) The amendment made by section 51 of this Act shall be effective with respect to taxable years ending after the date of enactment of this Act."

And the House agree to the same.

WAYNE L. HAYS,
EDNA F. KELLY,
LEONARD FARBERSTEIN,
ALVIN M. BENTLEY,
FRANCES P. BOLTON,

Managers on the Part of the House.

J. W. FULBRIGHT,
JOHN SPARKMAN,
MIKE MANSFIELD,
BOURKE B. HICKENLOOPER,
HOMER E. CAPEHART,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2633) to amend the Foreign Service Act of 1946, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

LIMITED AND PROBATIONARY APPOINTMENTS

Section 12 of the House amendment to the Senate bill amends section 531 of the Foreign Service Act which deals with limited and temporary appointments, including probationary periods of service, of Foreign Service Staff officers and employees. The Senate bill contains a similar provision. Under both versions the Secretary may terminate at any time and without regard to the provisions of any other law the services of Staff officers and employees appointed for temporary or limited service or who occupy probationary status. The Senate version contains a provision that should a Staff officer or employee in one of these categories be separated because of misconduct, he shall be given a hearing in accordance with the provisions of section 637 of the act. The managers on the part of the House accepted the Senate language.

TERMINATION OF SERVICES OF RESERVES AND LIMITED APPOINTEES

The managers on the part of the House accepted section 28 of the Senate bill with an amendment. This section permits the Secretary to terminate at any time the services of any Foreign Service Reserve officer or staff officer or employee who is serving under a limited appointment except that if such termination is because of misconduct the provisions of the language contained in section 27 of the Senate bill dealing with separation for cause will be applicable. The managers on the part of the House accepted this part of section 28 of the Senate bill.

Section 23 also provides that the conditions of employment of a small group of former staff officers who accepted Reserve officer appointments in the latter part of 1958 would not be affected by the provisions for termination of Reserve officer appointments contained in the first sentence of this section. The conferees deleted this portion of the Senate bill, as covered by section 52 of the House amendment, which was accepted by the Senate conferees. Section 52 of the House amendment (renumbered as section 55 of the conference substitute) provides that the services of this small group of Reserve officers would not be terminated before the expiration date of their appointments except where termination is for cause. The Senate accepted the language of the House amendment, with a perfecting amendment.

SEPARATION FOR CAUSE

Section 27 of the Senate bill brings into one section procedures for the separation of Foreign Service officers, Reserve officers or staff personnel for unsatisfactory performance of duty or for such other cause as will promote the efficiency of the Foreign Service. These procedures do not apply to Foreign Service officers of class 8 or any other officer or employee of the Service who is in a probationary status or whose appointment is limited or temporary except when the separation of such individuals is by reason of misconduct. It also provides that a participant in the Foreign Service retirement system separated under this section, if he has 5 years of service, may elect to receive a deferred annuity at age 60 except in cases where the Secretary determines that separation was based in whole or in part on grounds of disloyalty.

The managers on the part of the House accepted the Senate provision. The provisions for separation in this section will be used in those cases involving misconduct as provided in sections 14 and 28 of the Senate bill which the managers on the part of the House agreed to.

EXTENSION OF SERVICES

Section 20 of the Senate bill permits the Secretary of State whenever he shall determine it to be in the public interest to extend for a period of not more than 5 years the services of a career ambassador or a career minister who has reached the mandatory retirement age. The House amendment contains no limitation on the number of years of postretirement service that such an individual could serve. The managers on the part of the House accepted the limitation contained in the Senate bill.

HOUSING DIFFERENTIAL DURING SERVICE IN THE UNITED STATES

The Senate bill (sec. 18) contains a section providing for a housing differential for Foreign Service personnel assigned to duty in the continental United States and Foreign Service officers of class 7 and 8 assigned to duty in the continental United States prior to assignment abroad. The House amendment does not contain this provision. In receding from the Senate version the conferees of both Houses were in agreement that the Senate provision was desirable and reasonable. Unlike other Government employees the Foreign Service is a mobile service in which a tour of duty in Washington constitutes only a small part of their total service. They acquire little or no equity in housing. Because of the strong opposition of the executive branch the conferees agreed to omit this section from the bill.

ESOTERIC FOREIGN LANGUAGES

Section 32(b) of the Senate bill adds a provision to the Foreign Service Act which authorizes the Secretary of State to provide special monetary incentives to encourage Foreign Service personnel to acquire or to retain proficiency in esoteric foreign languages or other special abilities needed in the Service. The House amendment has no comparable provision. The acquisition and maintenance of proficiency in the esoteric languages is a time-consuming and frequently extracurricular requirement which imposes heavily upon an officer's or employee's time. Further, an officer who becomes such a language and area specialist will in most instances be called upon to spend a disproportionate part of his career in the Service at posts where living conditions are difficult. The need for officers trained in these difficult languages is becoming increasingly important in the conduct of foreign affairs activities. The managers on the part of the House accepted the Senate language in the belief that the Secretary should have authority to offer incentives that will stimulate the mastery of these languages.

FOREIGN LANGUAGE KNOWLEDGE PREREQUISITE TO ASSIGNMENT

The Senate bill requires that the Secretary designate every Foreign Service officer position in a foreign country whose incumbent should have a useful knowledge of a language or dialect common to such country. The House amendment requires that the Secretary determine annually the number of such positions.

The Senate bill also provides that each such position so designated shall be filled after December 31, 1963, only by an incumbent having such knowledge. The House amendment provides that after that date the prescribed quota of language officers be maintained for each country.

The Senate bill permits either the Secretary or the Deputy Under Secretary for Administration to make exceptions to this requirement for individuals or when special or emergency conditions exist. The House amendment permits exceptions only by the Secretary when special or emergency conditions exist.

The managers on the part of the House accepted the Senate language.

FOREIGN SERVICE BUILDINGS PROGRAM

Section 55 of the Senate bill carries an authorization for the Foreign Service buildings program of \$100 million of which half is to be used for the purchase of local currencies to finance the program. The House amendment contains no language on this matter.

The Subcommittee on State Department Organization and Foreign Operations of the Committee on Foreign Affairs held extensive hearings during 1959 and 1960 on the buildings program. Testimony before the subcommittee showed inconsistencies in justification of new buildings and an arbitrary handling of the program by the Office of Foreign Buildings. Under these conditions neither the subcommittee nor the Committee on Foreign Affairs was willing to authorize additional sums. Apart from new construction and acquisition of property, money is needed for maintenance, rehabilitation, and planning. The managers on the part of the House agreed to an authorization of \$10 million for the program. It is the intention of the conferees that to the maximum extent practicable local currencies owed to or owned by the United States will be used.

WAYNE L. HAYS,
EDNA F. KELLY,
LEONARD FARBERSTEIN,
ALVIN M. BENTLEY,
FRANCES P. BOLTON,

Managers on the Part of the House.

CORRECTION OF ROLL CALL

Mr. WHITENER. Mr. Speaker, on rollcall No. 194 I am recorded as being absent. I was present and answered to my name, and I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. LIPSCOMB. Mr. Speaker, on rollcall No. 193 I am recorded as being absent. I was present and answered to my name, and I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MILLS. Mr. Speaker, I move a call of the House.

A call of the House was ordered and the following Members failed to answer to their names:

[Roll No. 195]

Alger	Hébert	Miller,
Barden	Hess	George P.
Barry	Hoffman, Mich.	Montoya
Baumhart	Hogan	Morrison
Bolling	Ikard	Murray
Buckley	Jackson	Powell
Celler	Judd	Preston
Cooley	Kasem	Rogers, Mass.
Davis, Tenn.	Kearns	Sikes
Denton	Kilburn	Smith, Kans.
Dulski	Lafore	Taylor, N.Y.
Durham	Landrum	Thompson, La.
Goodell	McSween	Vinson
Grant	Magnuson	Wampler
Harris	Mahon	Withrow
Healey	Mason	Young

The SPEAKER. On this rollcall 382 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATION BILL, 1961

Mr. PASSMAN. Mr. Speaker, I call up the conference report on the bill (H.R. 12619) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS. Mr. Speaker, reserving the right to object, I assume the gentleman will take ample time before the vote on the conference report to explain the report.

Mr. PASSMAN. I assure the gentleman I shall take ample time to explain the conference report.

Mr. GROSS. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 25, 1960.)

Mr. PASSMAN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, if I should lack other reasons for being joyful, at least there is one thing I am elated about, and that is, for the first time since the inception of the foreign aid program, we are well on the way toward putting some sense into the program and bringing it back under the control of the Congress.

We have long had a double standard for spending Federal funds. All projects in America, regardless of their nature, had to be justified and criteria set up; whereas, on thousands of foreign aid programs, thousands of bureaucrats scattered all over the world could initiate unworkable, unprofitable, and unjustified projects without any control.

Under the conference report before you, you will discover many of your committee's recommendations to put some teeth in the legislation have been approved. We hope more can be accomplished at a later date to finally bring this ever-expanding, worldwide, diversified, and uncontrolled program back under control.

If I may have other troubles, political or otherwise, they are now overshadowed by the extreme joy that I now feel because for one time the overburdened and shamefully abused taxpayer is having his day in court.

I do invite the membership to read the final bill for full particulars of the tightening up of this loose program.

I want to thank the House conferees who assisted me in conference for their cooperation, and express my appreciation to the able Senators who represented the other body in conference for crediting the House committee with going into the program in great detail. They were most cooperative with the House conferees in adopting provisions that would help bring this mammoth program back under the control of the Congress.

A good indication that this is the finest report ever presented to the House by this Subcommittee on Foreign Aid is that it is stubbornly and persistently rejected by the freewheeling, uncontrolled bureaucrats who administer the program, but fortunately the Congress has a say in these matters and we are now attempting to exercise that prerogative.

I want to thank the chairman of the Appropriations Committee, the distinguished and very able chairman from Missouri, CLARENCE CANNON, for making me chairman of this committee and affording me the opportunity to render some small service to the overburdened taxpayer.

Mr. Speaker, the revised budget total for the foreign aid program was \$4,275 million. The conference report before you recommends \$3,716,350,000, or an amount of \$558,650,000 below the budget request. The legal authorization is \$4,186,500,000 which means that we are \$470,150,000 below the legal authorization.

I might state this—and I certainly hope there will not be any misunderstanding—that the report under consideration is \$265 million below the amount the other body appropriated not over 72 hours ago.

Mr. Speaker, you will find in reading the bill that notwithstanding the fact that the Senate reinstated practically all of the House cuts, the House conferees yielded only on \$31,850,000 of the original House bill plus, of course, the

\$100 million increase in the contingency fund request by the President. This particular account is for the President and I took the same position this time as I have in previous years, that we should not deny the President the amount of money that he requests in this contingency fund. For that reason we accepted that part of the Senate bill which, of course, had been authorized by the Senate and the money had been appropriated by the Senate, even though we have had no authorization in the House as yet.

Mr. FEIGHAN. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I am happy to yield.

Mr. FEIGHAN. Will the gentleman tell the House the aggregate amount of appropriations in this for support of Communist regimes throughout the world?

Mr. PASSMAN. I do not have my adding machine with me and I am afraid I would not be able to put together all the items for the gentleman at this time. But we have made a study of that situation.

Mr. FEIGHAN. Would the gentleman be good enough to include a copy of that in his remarks for the Record?

Mr. PASSMAN. I think I would prefer to have the policymakers discuss that matter. If they send down a request for money which the President has approved, then in my opinion it is up to the President as to where the money should be spent. I would prefer not to discuss what is a Communist country and what is not, so far as it pertains to this bill. I would prefer to leave it up to the executive branch to protect the Congress and the people.

Mr. FEIGHAN. There is no doubt in the gentleman's mind that Yugoslavia and Poland, just to mention two, are Communist regimes?

Mr. PASSMAN. Mr. Speaker, I am not any happier with that situation than is the gentleman. I can assure the gentleman that I am not trying to take over the prerogatives of the executive department. We are only considering the money request. I shall not attempt to discuss policy.

Mr. SELDEN. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I am glad to yield.

Mr. SELDEN. Has the additional \$100 million provided in the conference report for the contingency fund been authorized by Congress?

Mr. PASSMAN. The \$100 million for the contingency fund, meeting the request of the President, was presented to both bodies and referred to the respective committees. The Foreign Relations Committee of the Senate approved the amount. It then went to the Senate Appropriations Committee, which approved the \$100 million. We have accepted it in conference. It will be up to the House. The gentleman can demand a separate vote on the \$100 million and the House will have the opportunity to vote for or against it. It is in order to consider it in the House and I am sure we shall do so.

Mr. SELDEN. Mr. Speaker, will the gentleman yield further?

Mr. PASSMAN. I yield.

Mr. SELDEN. If an additional \$100 million has not been authorized by Congress, would this amount which is included in the conference report be subject to a point of order?

Mr. PASSMAN. It would not be subject to a point of order. The gentleman may ask for a separate vote. We recessed, because the Senate merely increased the amount and we are bringing it back on that basis. If the gentleman wants to ask for a separate vote, of course, he may do so.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman.

Mr. GARY. That item is not in the conference report, but it will come up on a separate vote; is that not true?

Mr. PASSMAN. It is included in the figures that I mentioned earlier, but not in the conference report as such.

Mr. GARY. That is right.

Mr. PASSMAN. But the House conferees did agree to accept it and bring it back to the House for a separate vote.

Mr. GARY. It is an item in disagreement and the House will have its opportunity to vote on it.

Mr. PASSMAN. Yes. I should like to emphasize that the House will have an opportunity to vote separately on that particular amendment.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman.

Mr. BAILEY. Am I to understand from the gentleman's statement that no part of the \$600 million requested by the President for use in Latin America is included in this report?

Mr. PASSMAN. No; funds for the new Latin American program are not included in this bill, only the additional \$100 million for the contingency fund.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The question comes up in Latin America on the position of the United States in this mutual security program in regard to the Castro government. I know there is no military aid or economic aid at the present time, but are we guarded in this bill against the funds going into the support of the government that is now veering to the left and is causing many of us grave concern?

Mr. PASSMAN. Yes, we have a provision in the bill. I invite the gentleman's attention to that amendment on which we yielded to the Senate.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Virginia.

Mr. GARY. There is a provision, of course, in the bill. It is amendment No. 33. It provides that none of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, am-

munition or implements of war to the Castro regime or which furnishes by grant or loan any military or economic aid to that regime unless the President determines that the withholding of such assistance to such countries would be contrary to the national interest.

Mr. FULTON. I thank the gentleman. Likewise on amendment No. 6, which is the technical cooperation programs of the Organization of American States where you took the figures of the Senate of \$1,300,000.

Mr. PASSMAN. Yes; the language in amendment No. 33 applies to all funds in title I of the bill.

Mr. FULTON. There can be none of that money go directly to the Castro regime through the Organization of American States; can there?

Mr. PASSMAN. We do not think so because the language in No. 33 applies to all funds in title I of the bill but the final determination will be made by the executive branch.

Mr. FULTON. I hope it will not be.

Mr. PASSMAN. I agree with the gentleman.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Michigan.

Mr. FORD. The problem raised by the gentleman from Pennsylvania is a most serious one. The amended language of the amendment sponsored in the other body by Senator BRIDGES is most important language which will, I believe, adequately protect us against the problem that he raised. Senator BRIDGES sponsored it in the other body. It was amended in the conference report. I think we have good legislation on that point.

Mr. PASSMAN. Mr. Speaker, one final word. This is a good conference report and I hope the House supports its conferees. I can assure you that not all of the conferees are completely satisfied with the bill. Some of them wanted more. But, it is a good compromise. I certainly hope you support the House on the conference report.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Virginia.

Mr. GARY. I would like to say, Mr. Speaker, it has been my privilege to serve as a member of the conference committee since the inception of the foreign aid programs. It has been my privilege to serve on the committee during that entire time. I have been on every conference committee as far as I can remember, and I think this is one of the most favorable reports so far as the House is concerned that we have had during that entire time. The House conferees, under the able leadership of our chairman, secured numerous concessions from the other body, not only in regard to amounts of money but also in regard to vital provisions where we have tried to retain or to reassert the control of the Congress over the expenditure of these funds. Some mention has been made of the additional \$100 million

to the contingency fund. That is not earmarked for any particular purpose, but, as a matter of fact, it is simply appropriated to the contingency fund. We agreed to accept the additional \$100 million for the contingency fund because the Senate agreed to relinquish the \$150 million they added to the Development Loan Fund. Therefore, we obtained a very substantial concession in return for our agreement to that item. I repeat, Mr. Speaker, that this is an excellent conference report and it is one of the best that your conferees have been able to report back as far back as I can remember. I do hope it will be the pleasure of the House to accept it.

Mr. PASSMAN. I thank the gentleman.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Iowa.

Mr. GROSS. I want to say to the gentleman from Louisiana [Mr. PASSMAN] that while I have always opposed these foreign aid programs as being too great a burden on the taxpayers of this country, the Members of the House and the citizens of this country owe a real debt of gratitude to the gentleman from Louisiana and those members of the Appropriations Committee who have cooperated with him.

The gentleman from Louisiana, as chairman of the subcommittee handling appropriations for this program, has literally saved this country hundreds of millions of dollars and I have no doubt that it would run into the billions if all the loose ends could be gathered together.

The voluminous hearings compiled each year by the gentleman's subcommittee provide complete evidence of the long hours of work and the dogged determination of the gentleman from Louisiana [Mr. PASSMAN], to stop the outright squandering and worse that has taken place. I shudder to think of the additional millions of dollars that would have been spent on foreign aid had not the gentleman resolutely resisted the terrific pressures that have come his way.

I pay tribute to him and I thank him for his splendid work.

Mr. PASSMAN. May I say to the distinguished gentleman from Iowa [Mr. GROSS], that his expression is very timely because, as everyone knows, I have been criticized from other quarters just recently, and his words are very timely and I welcome them, especially since the gentleman is one of the most valuable and able Members of Congress. It would be disastrous if the Congress would ever lose his services. It is not often that a Democratic Member calls to the attention of the House the value of the services rendered by a Republican Member but I deem it a pleasure to do so today.

Mr. SANTANGELO. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New York.

Mr. SANTANGELO. Mr. Speaker, the gentleman from Louisiana has a reputation for economy and a reputation for

trying to eliminate waste and inefficiency. The House approved a provision whereby we could eliminate some waste and inefficiency in the ICA portion of the foreign-aid program. I note that the conferees agreed to the deletion of these provisions which would have eliminated that waste and inefficiency. May I ask the gentleman from Louisiana what was the thinking in back of deleting these provisions which would have eliminated some of the waste and inefficiency in this program?

Mr. PASSMAN. I wish the gentleman would pinpoint what he is talking about, and I would endeavor to answer the question.

Mr. SANTANGELO. I refer to amendment No. 30, which the conferees agreed to delete.

Amendment No. 30 reads as follows:

Delete language proposed by the House prohibiting use of funds for contracts with any organization that has hired a former ICA employee—individuals earning over \$5,000.

Mr. PASSMAN. May I say to the gentleman I am very sympathetic to his position. I personally accepted his amendment on the floor of the House and tried to maintain it in the conference, but there were also conferees on the other side of the table who felt that perhaps some worthy individual, maybe a porter, or some other lower paid individual, who might be deprived of getting a good job if this amendment were adopted. It was felt that it was not carefully worked out.

Personally, I do not know that it would even save a dime, and it might deprive some worthy individual of getting better employment.

I can assure the gentleman we will give his amendment sympathetic consideration next year and I hope we can work it out. As I say, I do not know whether it would save one dime. It is a step in the right direction. I would like to have the proposition studied more thoroughly and worked out more carefully. The gentleman must remember that we cannot have our way all of the time, that there are two branches of Congress and the other branch expects to have their way occasionally. This just happened to be one amendment we lost.

Mr. SANTANGELO. I realize that. The gentleman will realize, though, that this amendment eliminated those earning less than \$5,000 a year.

Mr. PASSMAN. To be perfectly honest, those same people may soon be getting more than \$5,000. I do not think the amendment was sufficiently carefully worked out but we will give it further consideration in the future and I hope we can get something workable that the other body can accept.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. GARY. Is it not a fact—I am in sympathy also with the gentleman's amendment, but is it not a fact that that is a matter that should apply to all departments and not just to the mutual security program? It is a matter that should be handled like general legisla-

tion, and it is a matter that should be considered very carefully by a legislative committee, lest in trying to reach one situation we hamstring the operations of other agencies. We must be careful not to impose improper restrictions upon them.

Mr. PASSMAN. That was the consensus among the conferees. I want to assure the gentleman from New York again that it is a very worthy amendment if it is properly worked out, and if it applies to all agencies and not simply to a single agency. It is one that I am sure can be worked out after further study.

Mr. LIPSCOMB. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. LIPSCOMB. In amendment No. 8, special assistance, the conferees agreed to delete language proposed by the House relating to the contractual arrangements between the State Department and the Benjamin Franklin Foundation as proposed by the Senate.

Regardless of the testimony given before the Senate Committee and regardless of the fact that the conferees agreed to delete this provision inserted by the House, it is a fact that the Benjamin Franklin Foundation funds are furnished by the Congress of the United States, and they go to this private, nonprofit organization. Was anything said in the gentleman's subcommittee about investigating or looking into this matter to see whether the funds were being spent wisely or wasted?

Mr. PASSMAN. I will assure the gentleman we will go into the matter and if necessary hold hearings with our representatives in Berlin and then submit a report to the distinguished chairman of the Appropriations Committee and see that a copy of the report is made available to the gentleman.

Mr. LIPSCOMB. I think it would be very worthwhile.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. McCORMACK. How much was appropriated for the last fiscal year?

Mr. PASSMAN. I believe the amount was \$3,225 million.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I am going to discuss the conference report briefly.

The first item is defense support which carries an increase of \$10 million.

There was \$35 million item earmarked for Spain and that in the motion which will be offered an amendment to amendment No. 3.

We did add \$24 million to the special assistance item, general authorization, in amendment No. 7, and that should take care of a good many of the needs.

A number of small reductions were made by the Senate, but not very large, and we have agreed to those—\$150,000 on the escapee program and a small amount in one or two other items.

The item for contingencies—and I think I ought to talk about that so the Members will have that in mind very thoroughly—we are up against a situation in the world, especially in the Congo.

This \$100 million was not put in the bill with the idea of giving the money to the Congo Government, but it was put in to help take care of our share of the expense of sending United Nations troops into the Congo.

Mr. BECKER. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. BECKER. I want to make that quite sure, and I ask my colleague, the gentleman from New York [Mr. TABER] to make that point clear: This money is not going to the Congolese Government for the maintenance of the Congolese Army; is that correct?

Mr. TABER. That is correct.

Mr. BECKER. I want to make very sure that money that is in here, the \$100 million, is not being appropriated for the maintenance of the Congolese Army that is causing trouble today, but, as the gentleman stated, it is for the payment of our share of the United Nations expense?

Mr. TABER. That is right, it is for the purpose of going in there and maintaining a police force so that the trouble that exists in Congo will not spread any more than it has.

Mr. BECKER. None of this money is going to the Congolese Government for maintaining its army?

Mr. TABER. That is correct.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. GROSS. It is probably more than our share, is it not?

Mr. TABER. I cannot say that it is more because I think we have to maintain some kind of peace in the world, if that is possible, and this will help to do it.

Mr. PASSMAN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is it not true that the bill contains a limitation on the amount of U.S. funds that can be spent in any country in Africa?

Mr. TABER. That is correct.

Mr. ADAIR. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. ADAIR. Is there any prohibition against this \$100 million going for the support of the Lumumba government in the Congo?

Mr. TABER. There is nothing in the language itself; at the same time there is a definite statement on the part of the executive that the money will not be used for that purpose, but will be used to help maintain order in the world wherever it is necessary.

Mr. ADAIR. So far as this legislation is concerned, if the gentleman will yield further, it could go for the support of Lumumba although we have received assurance from the executive that it is not intended for use for that purpose?

Mr. TABER. It would take a very considerable amount of reformation on the part of Lumumba to get any money, I am sure of that, or any aid at all from

the United Nations or from the executive department of the United States.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. PASSMAN. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. GARY. Is it not true that there is absolutely no language in this bill connecting these funds with the Congo Government, Lumumba, Jumbo, or anybody else, in any particular way? It simply adds money to the President's contingency fund. The House approved \$150 million for the contingency fund when it was considered in June. He has not spent it all. But in view of the grave emergencies which are now rising this amendment simply adds another \$100 million that he might use in the Congo or anywhere else where an emergency arises?

Mr. TABER. Yes, and there are plenty of them in the air. That is why I feel we should agree to the \$100 million. I think that the chairman of the subcommittee and the membership of the committee have done an excellent job.

Mr. PASSMAN. This is made available to the President; this is the President's contingency fund.

Mr. TABER. Yes.

Mr. PASSMAN. He can spend it anywhere he wants to.

Mr. TABER. It depends on who is President at the time, what is done with it, and we cannot do it in any other way.

Mr. PASSMAN. Is it not the practice and custom of the Congress to give the President all he requests for his contingency fund?

Mr. TABER. Without any restriction.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. GROSS. One criticism I have of this, and the criticism is not directed to the gentleman from New York, is that here we are appropriating \$100 million without any authorization on the part of the House that renders meaningless the authorization bill voted out of the Foreign Affairs Committee only this week. This is not orderly procedure; it is not the right way to legislate.

Mr. TABER. Here is the situation, and it is not meaningless at all. This matter came up after the recess was taken by the Congress. The condition of things in the world has gotten so bad that they needed to have money that they could fall back on to protect the peace of the world.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. PASSMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, in recent days and weeks we have been hearing a lot about the national defense of our country and the adequacy of our de-

fense. We have been hearing a lot about lack of leadership from certain quarters. Today we are dealing with one of the matters that I am quite sure is a basic essential to the protection of our own country.

This morning I had a call from the White House, as others did, expressing to me the attitude of the President of the United States in respect to this conference report action.

The President has addressed to me and to other leaders of both bodies of the Congress a communication which I want to read at this time:

DEAR MR. HALLECK: I am deeply disturbed by the action yesterday of the conference on the mutual security appropriation. I cannot state too strongly my belief that a cut of this size will jeopardize the security of the country.

I am writing Senator JOHNSON and Senator DIRKSEN urging that the Senate reject this conference report should, despite all our efforts, the House approve it. I hope I can count on your cooperation in leading the House to recommit the bill so that the final action can conform fully to the national interest.

Both political parties and all of the major national candidates are publicly committed to the support of an adequate mutual security program. No one can responsibly contend that this conference report and the amounts approved constitute adequacy in today's world.

In view of the worldwide scope of this program and the necessity for planning so far ahead in such an effort, time is of the essence. These critical matters simply will not wait until the Congress returns in January, then to assess the results of its actions taken now. There is at the moment such an acceleration of events in the world that we must be forearmed at all times and ready to deal with critical situations as they develop. It must be evident to the Congress from the speed with which the situation in Africa recently developed that we must stay ready and that our free world security programs, economic and military, must be kept continuously adequate. Postponement of these funds needed now may irretrievably cripple us later.

I enclose a public statement that I have just released.

I am sending an identical letter to Speaker RAYBURN.

Sincerely,

DWIGHT D. EISENHOWER.

I should like to read also the statement of the President because reference was made to it:

STATEMENT BY THE PRESIDENT

THE WHITE HOUSE.

I am gravely concerned by the conference action on mutual security appropriations.

I have repeatedly stated that the appropriation of the full \$4,086 million authorized is vitally needed. Moreover, needs which have developed since my original request, particularly the emergency in the Congo, have made necessary an additional \$100 million for the contingency fund.

Only day before yesterday, by a 67-26 vote, the Senate approved the additional \$100 million and at the same time increased last month's House appropriation of \$3,584 million by \$297 million. The conference, while approving the \$100 million increase in contingency funds, virtually disregarded the Senate restoration in the basic mutual security budget. It accepted only \$31 million—one-tenth of the \$297 million restoration

that the Senate had just overwhelmingly approved.

In short, the conference recognized the need for \$100 million of new funds but at the same time slashed by \$265 million the budget to which these new funds are to be added.

This cut would sharply curtail support indispensable to the defense of allies now under intensified Soviet pressure and deny aid urgently needed by other friendly nations struggling under the gravest difficulties to make progress in freedom.

Not only are the funds now provided by the conference inadequate, but also a number of administrative restrictions were retained which would impair the management of the mutual security program.

Surely, in the world situation now confronting our country, the Congress will not accept these recommendations which fall so short of the need.

I urge that this appropriation be returned to conference. We must, for America, correct its deficiencies.

A congressional rejection of this request will hamper greatly the Nation's Chief Executive who succeeds me next January. Upon him will fall the heavy responsibility of continuing to guide our country in a troubled world. He, no less than I, must have adequate funds to do the job.

Mr. Speaker, of course we on our side all realize that we are not in control of the Congress of the United States; we are not in control of the House of Representatives. But I do express the hope that these wishes of the President may be very seriously considered. This I submit with all the earnestness of which I am capable: That when the Commander in Chief advises the Congress of the United States of the deeply held conviction that a proposed action by the Congress will adversely affect the security of the country, then it is incumbent upon every one of us to stop, look, and listen, and make certain we act wisely and responsibly.

This is exactly what we must do in this instance, and I trust that those controlling the fate of this measure in this opposition-controlled Congress will not fail to do so.

Mr. PASSMAN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, it just does not seem that a fair bill can win. This bill is not to buy an election for either candidate. We are dealing with the taxpayers' money. We have been liberal. We have been considerate. We have tried in every respect to satisfy the executive department. This bill recommends a total appropriation of \$490,537,000 more than what was appropriated last year. During our hearings early in this session there were good indications received by the subcommittee from downtown that the executive could live very well on \$3.5 billion. In order to try to satisfy all Members of both branches of the Congress and the executive, we have compromised the bill up to a total of \$3,716,350,000.

I have never been more shocked in my life to think that the President would be disappointed with this fantastically large amount that we are giving him over what was appropriated last year. I am thoroughly convinced now that we are not going to be able to satisfy the execu-

tive, even if we gave them every dime that they requested.

We were home for 5 weeks of a brief respite from our labors. Lo and behold, during those brief 5 weeks, the executive cooked up a request for an additional \$700 million. If we had stayed out 2 weeks longer, in all probability, it would have been \$1 billion.

We have 10,000 pages of transcript of hearings on this bill. I visited 19 foreign countries, and I can assure you that the conferees understand full well that there are adequate funds in this bill. I do not think the President should place his judgment above that of the committee which has worked so long and so hard to give him everything he needed.

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. Ford].

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Speaker, as those will know who read the conference report, I signed it with three reservations. One reservation or objection was to amendment No. 2. Another is on amendment No. 7 and the third on amendment No. 13.

My feelings in each instance are very strong, and for that reason I took the exceptions.

Amendment No. 2 refers to the defense support item. This is an item that is as essential and vital to our military assistance program as are the funds for guns, for aircraft, for ammunition, for ships for our allies. This is the area where I offered an amendment to increase funds during consideration of the appropriation bill at the time it was on the floor of this body. The President requested \$675 million for this program. The House appropriation version set the figure of \$600 million. The other body set the figure at \$675 million and earmarked \$35 million of that money for one country. This bill increases the House version by \$10 million and reduces the Senate version by \$65 million.

In my judgment, we are taking a serious adverse step in making this reduction below the authorization. I said before that this is a program which involved directly the military assistance aspect of our mutual security program. The action could be detrimental to our Nation's foreign policy.

My second exception or reservation involves special assistance. Here is a program that we use for humanitarian as well as for other reasons. The President requested \$268.5 million. The authorization was \$256 million. The House figure was \$206 million. The Senate figure was \$256 million. We are bringing back in the conference report a figure of \$230 million.

I say to you that in this area we are making reductions that will have a most adverse impact on some programs that are truly humanitarian, programs that are in the words of the platform of my good friends on the right—essential. I have read the Democratic platform this morning for a second time, and as I read the platform, one of the great things that will be done, if we can believe platforms,

is to go into humanitarian areas and cut down on the military assistance areas. But this action, taken by this Congress, if it is confirmed, will be directly contrary to the platform of my good Democratic friends. I do not see how, under those circumstances, they can support this reduction in this particular account.

It seems to me that the practicalities of the situation are that we cannot do much about these reductions at this time on the floor of the House. It appears that what we have to do is to hope that action will be taken in the other body so that we can, perhaps, remedy or rectify some of these errors that were made in the conference committee.

Mr. PASSMAN. Mr. Speaker, will the gentleman yield briefly?

Mr. FORD. I am glad to yield to my chairman.

Mr. PASSMAN. Is it not true, and I trust that it is not considered in bad taste to bring this up, that the gentleman from Michigan offered an amendment to increase the defense support item by \$50 million on the floor of the House and the House turned it down and now we are right back where we started?

Mr. FORD. I did offer an amendment to increase defense support funds at the time the bill was on the floor of the House.

Mr. PASSMAN. Then \$10 million additional was earmarked and we put it in the bill so if we should attempt to increase it, would it not be asking the House to reverse its prior position?

Mr. FORD. As I said before, I did offer an amendment to increase the defense support program. As I recall, it was a reasonably close vote in this body at the time. I should add, however, that even since the date of that amendment, conditions in the world, I think, in certain areas, have become more serious and for that reason there is a greater reason and necessity for this additional money at the present time.

The SPEAKER. The time of the gentleman has expired.

Mr. PASSMAN. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Speaker, first of all, I wish to congratulate the distinguished gentleman from Louisiana on his very excellent presentation on the conference report. But I should like to speak briefly about another great man who has done a great deal toward the defense of our country.

Mr. Speaker, Saturday, August 27, marks the 52d birthday of the distinguished majority leader of the Senate, LYNDON B. JOHNSON, one of the greatest statesmen and leaders of our time. I want to take this opportunity to extend to him my heartiest felicitations, in which I am sure I am joined by every Member of Congress, on this significant birthday and to express the hope that his goal for 1969 will be realized.

I have long admired Senator JOHNSON for his leadership ability, for his keen sense of judgment, for his admirable courage, and for his warm and generous heart. He is not afraid to support or to

champion a just cause. He is a responsible leader of proven ability. He is a statesman with constructive ideas, forward-looking, and possessed of a commonsense approach to problems—all of them traits which our Nation so sorely needs in these trying times.

The Nation is indeed fortunate to have a man of his vision and wisdom to help guide it in this crucial period of human affairs.

Those of us who are privileged to know him intimately and to count him among our personal good friends, as I am, hope and pray that the good Lord will continue to be kind to him and to bless him with many long years of health and happiness, together with his dear family.

(Mr. ANFUSO asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Speaker, I yield 2 minutes to my distinguished, friendly, and always comforting colleague, the gentleman from Ohio [Mr. HAYS].

Mr. HAYS. Mr. Speaker, I thank my distinguished colleague, the gentleman from Louisiana, but I think in this particular case I can compliment the gentleman for having done the best he could in a bad situation. I am sure the gentleman did not want to accept the extra \$100 million in the contingency fund, and I understand it has been said that this will not be used for the Congo. I am sure the gentleman who said that believed it, but in our Committee on Foreign Affairs within the last 3 days, they have been asking for \$100 million in the contingency fund for the Congo.

I think this House ought to know that if the administration gets the money, it is going to funnel it to this convicted thief who is the prime minister of the Congo. I say that because he has admitted his conviction as an embezzler when he was a postal clerk was true and that he embezzled the money. He also admits and brags that his two top assistants were educated by Russians and that they are his chief advisors. I want you to know, ladies and gentlemen, if he gets the money, we are giving \$100 million of the taxpayers' money of this country to a man who does not care one iota about the Congolese people, but who will probably steal all the money he can get his hands on and put it in a numbered account in some Swiss bank.

Mr. PASSMAN. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I can assure the distinguished gentleman we discussed this matter with the chairman of the Committee on Foreign Affairs before we went to conference and, of course, I can assure the gentleman and the Committee on Foreign Affairs that we are not trying to steal the prerogatives of your great committee. The other body put the funds in the bill and it was a matter that had to be considered by the House conferees, and it is one of the compromises that we had to make in order to bring back a bill for you to vote on.

Mr. HAYS. I am sure the gentleman did; and the point I am making is that

this was not authorized but was inserted in the other body. It is not subject to a point of order. If the President gets it I think I know what he is going to do with it, because Under Secretary Dillion, the only witness who appeared and testified—and I asked Mr. Dillon, and he hung his head, his face got red, he did not answer; I asked: "When you flew this Lumumba over here with his Belgian mistress and put him up at the Blair House, did you put the whole gang up?" He did not answer, and so I must assume they did, caucasian mistress and all.

The headlines in the newspapers downstairs say that the OAS is not going along with us on Cuba. We have now broken relations with the Dominican Republic and with Trujillo, and every one knows I held no brief for Trujillo, but now we are going to run him out of the Dominican Republic and turn it over to the Communists.

I heard the keynote speech of the gentleman from Minnesota. He asked: "Was it a Republican administration that did this, and that, and the other?" But he forgot to ask: Was it a Republican administration that stood by and saw the Hungarians slaughtered in the streets after promising a policy of liberation?

He forgot to ask what administration it was that has seen Cuba go Communist.

He forgot to ask what administration acted to install a Communist regime in the Dominican Republic; and he forgot to ask what administration is financing the Communist regime in the Congo. In case there is any doubt let me say it is the Eisenhower administration.

Mr. PASSMAN. I wish the gentleman would expand his complimentary remarks when he comes to revising his observations. I am in full sympathy with what he is saying.

Mr. HAYS. I certainly will do so sometime after election.

Mr. ROONEY. Mr. Speaker, I should like to commend my colleagues of the House Appropriations Committee, the conferees on the part of the House who sat on the conference with the other body on this bill for their action on amendment No. 34 deleting the language inserted by the Senate relating to the importation or reimportation of firearms into the United States.

The identical language was previously inserted by the other body in the bill H.R. 11666 making appropriations for the Departments of State and Justice, the Judiciary and related agencies for the fiscal year ending June 30, 1961, and was stricken from that bill in the conference with the Senate on Tuesday last. The very following day the same language was inserted by the other body in the pending bill making appropriations for Mutual Security and related agencies for the fiscal year ending June 30, 1961.

The majority of the House conferees on the pending Mutual Security appropriation bill are entitled to the thanks of the House for their insistence upon the deletion of this section 111 on pages 14 and 15 of the bill when they met with the other body on yesterday. Such a provision as was proposed by the other

body would surely create havoc and deal a serious economic blow to all the small businesses throughout the country which deal in sporting goods and firearms.

Mr. PASSMAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to. The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 3: Page 2, line 14, insert " , and in addition for defense support for Spain, authorized by section 131(b), \$35,000,000, exclusive of technical cooperation."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 3 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert " , including not less than \$35,000,000 for Spain."

Mr. CONTE. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman rise?

Mr. CONTE. To object to the amendment.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the motion.

The SPEAKER. Without objection the previous question is ordered.

There was no objection.

Mr. CONTE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman just asked for a vote on it.

Mr. CONTE. Can we debate it?

The SPEAKER. Not after the previous question is ordered.

CALL OF THE HOUSE

Mr. CONTE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 196]

Allen	Ikard	Murray
Barden	Jackson	Nix
Barry	Jensen	Norrell
Bolling	Kearns	Powell
Buckley	Keogh	Preston
Celler	Kilburn	Reece, Tenn.
Davis, Tenn.	Kirwan	Rhodes, Ariz.
Denton	Lafore	Rogers, Mass.
Doyle	Landrum	Saund
Dulski	McFall	Sikes
Durham	McSweeney	Smith, Calif.
Glenn	Magnuson	Smith, Kans.
Goodell	Mahon	Taylor, N.Y.
Grant	Mason	Teague, Calif.
Healey	Meyer	Thompson, La.
Hébert	Miller	Vinson
Hess	George P. Mitchell	Wampler
Hoffman, Mich.	Morrison	Withrow
Hogan		

The SPEAKER. On this rollcall, 378 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONFERENCE REPORT ON MUTUAL
SECURITY AND RELATED AGEN-
CIES APPROPRIATIONS, 1961

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that the action of the House by which the previous question was ordered be vacated.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, I rise in opposition to this amendment which would earmark \$35 million for Spain. As you recall, Mr. Speaker, I opposed this amendment last year in committee and on the floor; I, again, oppose it here today. First, I believe this earmarking is morally wrong. I think we are, thereby, committing a dastardly act today. Why? Because we classify funds earmarked for the other countries, yet here we are, earmarking funds for Spain for the whole world to see. The result of this should be obvious to my distinguished colleagues. It will cause bitterness and jealousy among countries who are getting less money. We are losing our bargaining position with Spain and closing the door to any future bargaining with that country. This whole thing is undiplomatic; in fact, I believe it is an unnecessary blunder. Spain is the only country in the entire world being singled out for these funds. No other country is being so preferentially treated, Mr. Speaker; this comes under the defense support portion of the bill. This money goes to 12 countries which lie along the dangerous underbelly of the Sino-Soviet bloc who are in constant danger of assault across their borders—all except Spain. Yet, Mr. Speaker, we are giving Spain more money in this bill than requested—and I do not know whether this is classified information for security reasons and therefore, whether I can divulge the amount—but this I can say to the Congress, that when the administration came before our committee with their presentation and justification for the foreign appropriation operation, the figure was less than \$35 million and that figure was not earmarked. But here we are today, giving them more than they asked for in their presentation and justifications.

I ask the chairman, the gentleman from Louisiana, to give the Members of the House one valid reason why there should be this earmarking of funds for Spain? If you are going to earmark money for Spain, then let us earmark money for Korea or for Formosa or for any other country. Why single out this particular country among all the others? Furthermore, Mr. Speaker, what we are doing here is giving this country more than what the administration asked for, and thus taking this money away from the other countries which are in the very strategic and important area along the underbelly of the Sino-Soviet bloc, countries which so desperately need these

funds for arms and ammunition, trucks, and guns, and airplanes in order to defend themselves. I should like to have your answer for the House of Representatives why this \$35 million is being earmarked for Spain and why it is the only country in the world that is being so treated?

Mr. PASSMAN. Mr. Speaker, I yield myself sufficient time to give an explanation as to why this is being done.

Let me assure my colleagues that I am not in favor of earmarking funds, but I do not run this committee. I am only a member of this committee. Neither do I run the committee of the other body nor do I run the other body. In conference you have to compromise. This is why the other body insisted on this provision. There is some indication that the agency has in the past tried to hoodwink certain Members of the Congress as to what amount of funds they intended to give Spain. For instance, in 1956 the budget requested \$28 million for Spain. We recalled that they attempted to hoodwink the Congress in prior years, so we earmarked \$50 million, but they gave Spain \$58.7 million, which was twice as much as they had asked for in the budget. In 1957 they asked for \$46.5 million. We earmarked \$50 million, and, lo and behold, they gave Spain \$70 million. In 1958 they came with a request for \$38 million, we earmarked \$40 million, and, lo and behold, they gave \$55.1 million. So, Mr. Speaker, almost every year they come around and give Spain almost twice what they ask for in the budget and give them an amount far in excess of what we have earmarked. I think it is a good compromise.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Massachusetts.

Mr. CONTE. That bears out my argument. Certainly the administration has shown that it has nothing against Spain. The administration has always given Spain more than the amount of money that has been earmarked. I cannot understand that, and there is no sound reason why Spain should be singled out by the Congress and why this money should be earmarked for Spain. But my good chairman, the gentleman from Louisiana, is a very conscientious and hard-working man. You will recall, I believe, that on the floor of the House last year you did not agree with this earmarking of funds. I believe you agree with me. I think this is a moral issue. I think the House should stand fast.

Mr. PASSMAN. Let the House stand fast and you will send this bill back to conference. You just heard the distinguished minority leader read the President's message. If you send this bill back to conference you are going to force us to take out all these limitations that we have in the bill and you are going to load this bill with at least an additional \$500 million.

The SPEAKER. The time of the gentleman has expired.

Mr. PASSMAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion.

The motion was agreed to.

The SPEAKER. The clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 14: Page 5, line 11, strike out "\$150,000,000" and insert "\$250,000,000".

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 14 and concur therein.

Mr. SELDEN. Mr. Speaker, on this I demand the yeas and nays.

The yeas and nays were refused.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 16: Page 5, line 15, insert "": *Provided*, That none of the funds appropriated in this paragraph may be used to finance contributions to the United Nations for a program in any country in Africa in excess of 40 per centum of the total contributions to the United Nations for such program."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 17 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 17: Page 5, line 20, insert:

"Unobligated balances of funds heretofore made available under authority of the Mutual Security Act of 1954, as amended, and available as of June 30, 1960, are, except as otherwise provided, hereby continued available for the fiscal year 1961, for the same general purposes for which appropriated."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 17 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 22: Page 7, line 21, strike out

"Sec. 101. None of the funds herein appropriated shall be used to carry out any provision of chapter II, III, or IV of the Mutual Security Act of 1954, as amended, with respect to any project or activity, or in any country, during any period when more than thirty-five days have elapsed between the written request (delivered to the office of the head of the appropriate department or agency) for, and the furnishing of, any document, paper, communication, audit, review, finding, recommendation, report, or other material in possession or control of such department or agency relating to the expenditure of funds with respect to such project or activity or in such country, to the General Accounting Office or any com-

mittee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriations for or expenditures of such department or agency."

And insert:

"Sec. 101. (a) Within sixty days following the date of enactment of this Act, the President shall transmit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a report containing a full and complete revision of the data presented to such committees in justification of appropriations requested for the Mutual Security program for the fiscal year 1961, showing any changes in such program approved subsequent to such presentation, including changes necessary to reflect actual appropriations for the program.

(b) Within thirty days following the approval of any change in the Mutual Security program for the fiscal year 1961, which will result in furnishing assistance of a kind, for a purpose, in an area, or in an amount, different from that described in the report transmitted under subsection (a), and which involves \$1,000,000 or more, or 5 per centum of the amount appropriated under any paragraph of this title whichever is the lesser, the President shall transmit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a full and complete report of such change and the reasons therefor.

"(c) This section shall not apply to programs authorized by section 451 of the Mutual Security Act of 1954, as amended.

"(d) None of the funds herein appropriated shall be used to carry out any provision of chapter II, III, or IV of the Mutual Security Act of 1954, as amended, in any country or with respect to any project or activity, after the expiration of the thirty-five-day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriations for, or expenditures of, the International Cooperation Administration, has delivered to the Office of the Director of the International Cooperation Administration a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material relating to the administration of such provision by the International Cooperation Administration in such country or with respect to such project or activity, unless and until there has been furnished to the General Accounting Office, or to such committee or subcommittee, as the case may be, (1) the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested, or (2) a certification by the President that he has forbidden its being furnished pursuant to such request, and his reason for so doing."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 22 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert the following:

"Sec. 101. (a) Within sixty days following the date of enactment of this Act, the President shall transmit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a report containing a full and complete revision of the data presented to such committees in justification of ap-

propriations requested for the Mutual Security program for the fiscal year 1961, showing any changes in such program approved subsequent to such presentation, including changes necessary to reflect actual appropriations for the program.

"(b) Within thirty days following the approval of any change in the Mutual Security program for the fiscal year 1961, which will result in furnishing assistance of a kind, for a purpose, in an area, or in an amount, different from that described in the report transmitted under subsection (a), and which involves \$1,000,000 or more, or 5 per centum of the amount appropriated under any paragraph of this title whichever is the lesser, the President shall transmit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a full and complete report of such change and the reasons therefor.

"(c) This section shall not apply to programs authorized by section 451 of the Mutual Security Act of 1954, as amended.

"(d) None of the funds herein appropriated shall be used to carry out any provision of chapter II, III, or IV of the Mutual Security Act of 1954, as amended, in any country or with respect to any project or activity, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering Mutual Security legislation, appropriations, or expenditures, has delivered to the office of the head of any department or agency carrying out such provision, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in its custody or control relating to the administration of such provision in such country or with respect to such project or activity, unless and until there has been furnished to the General Accounting Office, or to such committee or subcommittee, as the case may be, (1) the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested, or (2) a certification by the President that he has forbidden the furnishing thereof pursuant to such request, and his reason for so doing."

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. Mr. Speaker, I yield to the gentleman from Virginia.

Mr. HARDY. Mr. Speaker, in connection with subsection (d) of the amendment just read, I would like to make an inquiry.

If the GAO or an appropriate committee of the Congress requests of the agency or agencies administering the act that it be furnished all documents, or any document, relating to a particular program or project in a particular country, then this language would require that the documents be furnished within 35 days, or that the President certify, within the same period, that he has forbidden the furnishing of them and gives his reasons therefor.

Is that correct?

Mr. PASSMAN. The distinguished former chairman of this subcommittee and present member of the committee and a distinguished Member of Congress from Virginia has handled this matter all the way through the Congress. I would like to yield to him to reply to the gentleman's question.

Mr. GARY. The gentleman will remember that last year we put a provision in the bill to compel production of these documents and it was adopted by both the Senate and the House. This year, because that amendment of last year had not worked completely, we changed the language somewhat. The Senate would not accept the language of the House bill but they put in the same language as the act had last year. We finally agreed to a modification of last year's language which I think covers the objectives we had in mind.

Mr. HARDY. If the gentleman will yield further, I commend the committee for broadening the language. I want to be sure that requests for such material would be honored under the same procedures as were followed under last year's act.

Mr. GARY. There is no question about that. This is not intended to change present procedure one iota.

Mr. HARDY. I thank the gentleman.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. FORD. Following up the statement of the gentleman from Virginia [Mr. GARY] on this matter, as I understand, we took the language which was in this appropriation bill for fiscal year 1960, section 101, and we have broadened the coverage to include other agencies. We have not changed the substance of that paragraph or that proviso. We have simply extended the coverage.

Mr. GARY. That is correct.

There are other agencies handling the funds in this bill, the State Department, the Development Loan Fund, and other agencies. We extended the language of last year to cover those agencies, but we did not change a particle the language with respect to the documents that could be requested.

Mr. PASSMAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Louisiana [Mr. PASSMAN].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 31: On page 14, line 1, insert:

"Sec. 103. The appropriations and authority with respect thereto in this Act shall be available from July 1, 1960, for the purposes provided in such appropriations and authority. All obligations incurred during the period between June 30, 1960, and the date of enactment of this Act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms hereof."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 31 and concur therein with an amendment, as follows: Change the section number from "103" to "109".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 33: On page 14, line 11, insert:

"SEC. 110. No funds provided hereunder shall be available for any country which, in the judgment of the President of the United States, directly or indirectly is selling arms, munitions or implements of war, to the Castro regime in Cuba, or directly or indirectly is giving or loaning military or economic aid to that regime."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 33 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert:

"SEC. 110. None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or which furnishes, by grant or loan, any military or economic aid to that regime, unless the President determines that the withholding of such assistance to such country would be contrary to the national interest."

Mr. PASSMAN. Mr. Speaker, I yield such time as he may desire to the gentleman from Minnesota [Mr. Judd].

Mr. JUDD. Mr. Speaker, to correct any impression to the contrary that may have been given here earlier this afternoon, the RECORD ought to show clearly that any funds authorized and appropriated in this bill for use in the Congo are to be used only by and in support of United Nations actions in the Congo and not given to the present Government of Congo.

I want to read a statement made by Acting Secretary of State, Dillon, before the Committee on Foreign Affairs 3 days ago. He said:

That is the reason we feel strongly that these funds should be administered through the United Nations. In that way nothing will go to the Government of the Congo to spend as they want; it will only go as has been agreed through Mr. Hammarskjöld's representatives.

Mr. PASSMAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 35: Page 15, line 3, insert:

"SEC. 112. No funds provided hereunder shall be available for any country which, in the judgment of the President of the United States, directly or indirectly, is selling arms munitions, or implements of war, to any country in Latin America being subjected to economic or diplomatic sanctions by the Organization of American States."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 35 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert:

"SEC. 111. None of the funds provided in this title shall be available for assistance to any country the government of which sells arms, ammunition, or implements of war to any country in Latin America being subjected to economic or diplomatic sanctions by the Organization of American States, unless the President determines that the withholding of such assistance to such country would be contrary to the national interest."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 39: On page 19, line 2, insert "and not to exceed \$9,000 for entertainment allowances for members of the Board of Directors."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 39 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. REUSS. Mr. Speaker, I wish to commend the managers for the conference report in general, and particularly for going along with the other body in permitting the use of technical assistance funds, up to \$10,000, to help defray the cost of the already authorized study of the feasibility and practicability of a Point 4 Youth Corps. This will enable the International Cooperation Administration to go forward promptly in commissioning such a study by a university or private foundation.

I am informed that the ICA is going ahead on this, and that we may look for the completion of such a study early in 1961. It is important that the timetable be adhered to, so that the new Congress may consider the study's recommendations early in the new session.

Those who are preparing this study should draw heavily upon the heartening experience of the International Voluntary Services' agricultural team now at work in Vietnam, under the leadership of Gordan L. Brockmueller. The May 1960 report of the team in Vietnam gives an exciting account of how the dozen or so young Americans comprising the team have been conveying agricultural know-how to the Vietnamese on a shirt-sleeve

to shirt-sleeve basis. Those who have become disillusioned with much of our foreign aid program will find themselves singing "three cheers for the red, white, and blue" when they hear about what these young Americans are doing in Vietnam. It may well be a model for what the Point 4 Youth Corps seeks to accomplish.

Mr. DONOHUE. Mr. Speaker, over the past few years, when we have been debating this mutual security appropriations bill, I have emphasized my belief that the parts of the program, which have proved of substantial worth by experience, such as technical assistance to underdeveloped countries and Development Loan Fund operations, should be adequately supported, and the most careful examination, in the interests of the American taxpayers, should be concentrated upon those phases of the program in which impressive evidence has been demonstrated in revelation of great waste and extravagance.

There is no great question or doubt that the basic technical assistance offered by this bill to aid foreign allies to help themselves has been the most effective part of the entire measure in promoting our own and allied security and in lifting our sagging world prestige with neutrals by this American display of unselfishness. Such a generous attitude is in accord with the finest traditions of the American people and projects to the world a true picture of our foundation spirit.

Unfortunately, in certain aspects of other fields, including the military aid and public works projects, a great deal of factual evidence has been placed in the record by the Draper Committee, our own congressional committees, and the Comptroller General himself, showing too many instances of waste and extravagance—a pattern of loose, lax administration through the entire complex of foreign aid, and refusal of the ICA to provide information.

When we stop to consider the many years over which this financial assistance program has been operating, and the many billions of American taxpayers' money that has been appropriated for it, we are sharply reminded of our duty to insure the elimination of waste as much as we humanly and legislatively can be persevering insistence upon expert administration through personnel of the highest character and ability, through insistence upon the most searching and constant supervision, and through insistence on obtaining from executive department sources the fullest information, good and bad, that will enable the Congress to act on this measure with intelligence, wisdom, and protection of our people's money.

I very greatly fear that, particularly these days, we too often overlook the fact that without the existence of a high morale among our own citizens neither this program, nor any other, will ever accomplish their full objective. The

only legislative way in which we can encourage the morale of our own people is by proving to them that we intend to fulfill our responsibility of protecting this foreign investment for them, and by showing them that we are not neglecting their domestic needs because of loose and extravagant spending abroad.

I believe that the members of the Foreign Affairs and Appropriations Committees, who originally dealt with this measure, and the conferees, have done their conscientious best to provide a measure agreeable to the Congress and acceptable to the President and this conference report should be supported today, while we pledge ourselves never to relax our vigilance in insuring that the foreign aid program is constantly reviewed for the elimination of waste and extravagance and reductions of assistance where it is not needed and cannot be effectively used.

STATUS OF APPROPRIATION BILLS, 86TH CONGRESS, 2D SESSION, AS OF AUGUST 26, 1960

(Mr. CANNON asked and was given permission to extend his remarks at this point in the Record and include a table.)

Mr. CANNON. Mr. Speaker, with the adoption of the conference report on mutual security appropriations, the totals of the appropriations in the 17 bills enacted are under the President's budget requests by \$257,546,453.

The conference report on the public works bill will be filed tonight. That will leave only the second supplemental bill, passed today, remaining for disposition.

Even allowing for the customary excesses attendant to the last chance supplemental of the session, it now appears a certainty that the bills will aggregate something less than the President's requests for appropriations. If Khrushchev had not wrecked the summit meeting, the reduction could have been larger.

These record-breaking budgets have hiked the public debt by more than \$20 billion in the last 7 years. This morning's paper discloses the inevitable result: The Department yesterday reported another alltime high watermark in the cost-of-living index. As night follows day, so the cost of living rises in the wake of spending beyond income. And most of it for nondefense purposes.

The customary table follows.

Status of the appropriation bills for the 86th Cong., 2d sess., as of Aug. 26, 1960

	Bills compared with House	Bills compared with budget
Net total for the 17 session bills enacted.....		-\$257, 546, 453
Loan authorizations.....		(+\$211, 400, 000)
Pending:		
1. Public works, as passed by the Senate.....	+\$115, 211, 620	+25, 869, 425
2. Supplemental, 2d, as reported to House.....		+23, 302, 450
As the bills now stand.....		-208, 374, 578

PUBLIC WORKS APPROPRIATION BILL, 1961

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report on the bill H.R. 12326, the public works appropriation bill, 1961.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 2181)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12326) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Tennessee Valley Authority and certain study commissions, for the fiscal year ending June 30, 1961, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 8, 9, and 14.

That the House recede from its disagreement to the amendments of the Senate numbered 11, 12, 16, and 18, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$12,023,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$706,491,600"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$71,896,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,893,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$3,943,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,290,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

ment insert "\$10,800,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,451,210,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$212,750,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,550,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,250,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 10, and 20.

CLARENCE CANNON,
LOUIS C. RABAUT,
MICHAEL J. KIRWAN,
BEN F. JENSEN,
JOHN TABER,

Managers on the Part of the House.

ALLEN J. ELLENDER,
CARL HAYDEN,
RICHARD R. RUSSELL,
JOHN L. MCCLELLAN,
A. WILLIS ROBERTSON,
LISTER HILL,
SPESSARD L. HOLLAND,
WARREN G. MAGNUSON,
ROBT. S. KERR,
CLINTON P. ANDERSON,
HENRY DWORSHAK,
MILTON R. YOUNG,
KARL MUNDT,
MARGARET CHASE SMITH,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12326) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Tennessee Valley Authority and certain study commissions, for the fiscal year ending June 30, 1961, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY

Rivers and harbors and flood control

General Investigations

Amendment No. 1: Appropriates \$12,023,000 instead of \$10,895,800 as proposed by the House and \$13,062,800 as proposed by the Senate. The funds provided are to be distributed as follows:

Item	Budget estimate for fiscal year 1961	Conference allowance	Item	Budget estimate for fiscal year 1961	Conference allowance
GENERAL INVESTIGATIONS					
Examinations and surveys:			Collection and study of basic data:		
Navigation studies.....	\$880,000	\$1,320,000	Stream gaging (U.S. Geological Survey).....	\$235,000	\$235,000
Flood control studies.....	2,720,000	4,000,000	Precipitation studies (U.S. Weather Bureau).....	340,000	340,000
Beach erosion cooperative studies.....	150,000	150,000	Fish and wildlife studies (U.S. Fish and Wildlife Service).....	50,000	50,000
Special studies:			International water studies.....	60,000	60,000
San Francisco Bay survey.....	400,000	500,000			
Ohio River Basin review.....	400,000	400,000	Subtotal, collection and study of basic data.....	685,000	685,000
Great Lakes Harbor survey.....	107,000	264,000	Research and development:		
Coordination studies with other agencies.....	150,000	150,000	Beach erosion development studies.....	200,000	200,000
Rampart Canyon, Alaska.....	100,000	225,000	Hydrologic studies.....	150,000	150,000
Hurricane studies.....	850,000	850,000	Civil works investigations.....	1,200,000	1,200,000
Hudson River (siltation) studies.....	90,000	90,000	Mississippi Basin model:		
Potomac River review.....	400,000	400,000	Construction.....	700,000	700,000
Colorado River, Tex.....	118,000	118,000	Mississippi River comprehensive study.....	150,000	150,000
Trinity River.....	250,000	321,000			
Subtotal, examinations and surveys.....	6,615,000	8,788,000	Subtotal, research and development.....	2,400,000	2,400,000
			Arkansas-Red River pollution survey.....		150,000
			Total, general investigations.....	9,700,000	12,023,000

Budgeted funds for the Missouri River slack-water navigation study and the Garfield, Utah, small-boat harbor have been disallowed.

Within the amount provided for the flood

control studies, \$10,000 is to be used on the J. Percy Priest Reservoir study.

Construction, General

Amendment No. 2: Appropriates \$706,491,600, instead of \$662,622,300 as proposed by

the House and \$737,884,600, as proposed by the Senate. The conferees are in agreement that funds appropriated under this item should be allocated as set forth in the following tabulation:

Construction, general, State and project	Budget estimate for fiscal year 1961		Conference allowance	
	Construction	Planning	Construction	Planning
Alabama:				
Aquatic plant control. (See Louisiana.)				
Columbia lock and dam Alabama and Georgia.....	\$3,325,000		\$3,325,000	
Holt lock and dam.....		\$378,000		\$549,000
Jackson lock and dam.....	4,409,000		4,238,000	
Millers Ferry lock and dam.....				200,000
Walter F. George (Fort Gaines) lock and dam, Alabama and Georgia.....	20,178,000		20,178,000	
Alaska:				
Douglas Harbor.....			¹ (364,000)	
Fairbanks.....		100,000		100,000
Homer Harbor, small-boat harbor.....	542,000		542,000	
Nimilchik Harbor.....	¹ (229,000)		¹ (229,000)	
Seldovia Harbor, small-boat harbor.....	548,000		548,000	
Arizona:				
Alamo Reservoir.....		175,000		175,000
Gila River-Cameisback Reservoir.....			150,000	
Tucson.....		90,000		90,000
Arkansas:				
Arkansas River and tributaries, Arkansas and Oklahoma:				
(a) Emergency bank stabilization.....	5,000,000		5,000,000	
(b) Other bank stabilization.....			2,000,000	
Arkansas River and tributaries, Arkansas and Oklahoma (general studies).....		381,000		381,000
Beaver Reservoir.....	2,800,000		2,800,000	
Bull Shoals Reservoir (units 5 and 6), Ark. and Mo.....	3,200,000		3,200,000	
Bull Shoals Reservoir (units 7 and 8), Ark. and Mo.....	100,000		100,000	
Dardanelle lock and dam.....	6,100,000		6,100,000	
DeGray Reservoir.....		300,000		300,000
Gillham Reservoir.....		100,000		100,000
Greers Ferry Reservoir.....	14,143,000		14,143,000	
McKinney Bayou and Barkman Creek, Ark. and Tex.....	668,000		668,000	
Millwood Reservoir.....			500,000	
Red River at Garland City.....			200,000	
Red River levees and bank stabilization below Denison Dam, Ark., La., and Tex.....	700,000		700,000	
Table Rock Reservoir, Ark. and Mo. (See Missouri.)				
California:				
Bear Creek.....		70,000		70,000
Black Butte Reservoir.....	5,900,000		5,900,000	
Bodega Bay.....			405,000	
Carbon Canyon Dam and channels.....	1,207,000		1,207,000	
Devil, East Twin, Warm, and Lytle Creeks.....	1,300,000		1,300,000	
Halfmoon Bay Harbor (Pillar Point).....	1,800,000		1,800,000	
Los Angeles County drainage area.....	13,100,000		13,100,000	
Lower San Joaquin River and tributaries.....	1,260,000		1,260,000	
Middle Creek.....	403,000		403,000	
Mill Creek levees.....	503,000		503,000	
New Hogan Reservoir.....	1,800,000		1,800,000	
Noyo River and Harbor (breakwater).....				55,000
Oroville Reservoir.....		50,000		50,000
Pine Flat Reservoir.....	500,000		500,000	
Playa Del Rey Inlet and Harbor.....	154,000		154,000	
Port Hueneme Harbor.....	2,422,000		2,422,000	
Russian River Reservoir.....	400,000		400,000	
Sacramento River.....	2,200,000		2,200,000	
Sacramento River and major and minor tributaries.....	1,000,000		1,000,000	
Sacramento River, Chico Landing to Red Bluff.....		50,000		50,000
Sacramento River deep-water ship channel.....	8,000,000		7,000,000	
San Antonio and Chino Creeks.....	1,336,000		1,336,000	
San Jacinto River and Bautista Creek.....	1,300,000		1,300,000	
San Lorenzo Creek.....	1,608,000		1,608,000	
Santa Clara River.....	305,000		305,000	
Santa Cruz Harbor.....	300,000			
Santa Maria Valley levees.....	1,850,000		1,850,000	
Success Reservoir.....	2,588,000		2,588,000	
Terminus Reservoir.....	6,300,000		6,300,000	
Trekeke River and tributaries, California and Nevada. (See Nevada.)				
Tuolumne River Reservoir (new Don Pedro).....		25,000		25,000

See footnote at end of table.

Public Law 86-704
86th Congress, H. R. 12619
September 2, 1960

AN ACT

74 STAT. 776.

Making appropriations for Mutual Security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1961, namely: Mutual Security and Related Agencies Appropriation Act, 1961.

TITLE I—MUTUAL SECURITY

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1954, as amended, to remain available until June 30, 1961, unless otherwise specified herein, as follows: 68 Stat. 832. 22 USC 1751 note.

MILITARY ASSISTANCE

For expenses as authorized by section 103(a) of the Mutual Security Act of 1954, as amended, necessary to enable the President to carry out the purposes of chapter I of such Act (including administrative expenses as authorized by section 103(b) of such Act, which shall not exceed \$24,000,000 for the current fiscal year, and purchase for replacement only of passenger motor vehicles for use outside the United States), \$1,800,000,000. 73 Stat. 247. 22 USC 1813.

ECONOMIC ASSISTANCE

Defense support: For assistance authorized by section 131(b), Ante, p. 135. \$610,000,000, including not less than \$35,000,000 for Spain.

Technical cooperation, general authorization: For assistance authorized by section 304, \$150,000,000: *Provided*, That no part of this appropriation shall be used to initiate any project or activity which has not been justified to the House of Representatives and the Senate. Ante, p. 136.

United Nations expanded program of technical assistance and related fund: For contributions authorized by section 306(a), Ante, p. 136. \$33,000,000.

Technical cooperation programs of the Organization of American States: For contributions authorized by section 306(b), \$1,300,000. Ante, p. 136.

Special assistance, general authorization: For assistance authorized by section 400(a), \$230,000,000. Ante, p. 136.

Special Assistance, special authorization: For assistance authorized by section 400(c) for hospital construction, \$1,500,000 to be used to purchase foreign currencies which the Department of the Treasury may determine to be excess to the normal requirements of the United States. 73 Stat. 249. 22 USC 1920.

Intergovernmental Committee for European Migration: For contributions authorized by section 405(a), \$6,700,000: *Provided*, That no funds herein appropriated shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere: *And provided further*, That no funds herein appropriated shall be used to pay transportation costs of any doctor or immigrant inspector or for any space not required to be allotted by the applicable U.S. maritime laws and regulations. 71 Stat. 361. 22 USC 1925.

Program of United Nations High Commissioner for Refugees: For contributions authorized by section 405(c), \$1,300,000.

Escapee program: For assistance authorized by section 405(d), \$3,350,000.

United Nations Children's Fund: For contributions authorized by section 406, \$12,000,000.

United Nations Relief and Works Agency: For contributions and expenditures authorized by section 407, \$16,500,000.

North Atlantic Treaty Organization science program: For contributions authorized by section 408(a), \$1,200,000.

Ocean freight charges, United States voluntary relief agencies: For payments authorized by section 409(c), \$2,000,000.

General administrative expenses: For expenses authorized by section 411(b), \$38,000,000.

Administrative and other expenses: For expenses authorized by section 411(c), \$8,000,000.

Atoms for peace: For assistance authorized by section 419, \$1,500,000.

Office of the Inspector General and Comptroller: Not to exceed \$1,200,000 of the funds appropriated in this title shall be available to carry out the provisions of section 533A of the Mutual Security Act of 1954, as amended.

CONTINGENCIES

President's special authority and contingency fund: For assistance authorized by section 451(b), \$250,000,000: *Provided*, That none of the funds appropriated in this paragraph shall be used for any project or activity for which an estimate has been submitted to Congress and which estimate has been rejected: *Provided further*, That none of the funds appropriated in this paragraph may be used to finance contributions to the United Nations for a program in any country in Africa in excess of 40 per centum of the total contributions to the United Nations for such program.

Unobligated balances of funds heretofore made available under authority of the Mutual Security Act of 1954, as amended, and available as of June 30, 1960, are, except as otherwise provided, hereby continued available for the fiscal year 1961, for the same general purposes for which appropriated.

CORPORATION

The Development Loan Fund is hereby authorized to make such expenditures within the limits of funds available to it, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided in section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation, except as hereinafter provided:

DEVELOPMENT LOAN FUND

For advances to the Development Loan Fund as authorized by section 203, \$550,000,000, to remain available until expended.

LIMITATION ON ADMINISTRATIVE EXPENSES, DEVELOPMENT LOAN FUND

Not to exceed \$1,800,000 of the funds of the Development Loan Fund shall be available during the current fiscal year for administrative expenses of the Fund covering the categories set forth in the current fiscal year budget estimates for such expenses.

GENERAL PROVISIONS

SEC. 101. (a) Within sixty days following the date of enactment of this Act, the President shall transmit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a report containing a full and complete revision of the data presented to such committees in justification of appropriations requested for the mutual security program for the fiscal year 1961, showing any changes in such program approved subsequent to such presentation, including changes necessary to reflect actual appropriations for the program.

(b) Within thirty days following the approval of any change in the mutual security program for the fiscal year 1961, which will result in furnishing assistance of a kind, for a purpose, in an area, or in an amount, different from that described in the report transmitted under subsection (a), and which involves \$1,000,000 or more, or 5 per centum of the amount appropriated under any paragraph of this title whichever is the lesser, the President shall transmit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a full and complete report of such change and the reasons therefor.

(c) This section shall not apply to programs authorized by section 451 of the Mutual Security Act of 1954, as amended. Ante, p. 138.
22 USC 1951.

(d) None of the funds herein appropriated shall be used to carry out any provision of chapter II, III, or IV of the Mutual Security Act of 1954, as amended, in any country or with respect to any project or activity, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering mutual security legislation, appropriations, or expenditures, has delivered to the office of the head of any department or agency carrying out such provision, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in its custody or control relating to the administration of such provision in such country or with respect to such project or activity, unless and until there has been furnished to the General Accounting Office, or to such committee or subcommittee, as the case may be, (1) the document, paper, communication, audit, review, finding, recommendation, report or other material so requested, or (2) a certification by the President that he has forbidden the furnishing thereof pursuant to such request, and his reason for so doing. 72 Stat. 270.
22 USC 1841,
1951, 1750.

SEC. 102. None of the funds herein appropriated for Defense Support, the Development Loan Fund, Special Assistance, or the President's Special Authority and Contingency Fund shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation and other water and related land resource programs and projects proposed for construction within the United States of America as per circular A-47 of the Bureau of the Budget, dated December 31, 1952. Flood control projects.

SEC. 103. Obligations made from funds herein appropriated for engineering and architectural fees and services to any individual or group of engineering and architectural firms on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually. Engineering fees.
Reports to Congress.

- Restriction. SEC. 104. Except for the appropriations entitled "President's special authority and contingency fund" and "Development Loan Fund", not more than 20 per centum of any appropriation item made available by this title shall be obligated and/or reserved during the last month of availability.
- Pensions, annuities, etc. SEC. 105. None of the funds herein appropriated nor any of the counterpart funds generated as a result of assistance hereunder or any prior Act shall be used to pay pensions, annuities, retirement pay or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.
- SEC. 106. None of the funds herein appropriated shall be used to finance any of the activities under the Investment Incentive Fund Program.
- Seating of Communist China in U. N., opposition. SEC. 107. The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China, and it is hereby declared to be the continuing sense of the Congress that the Communist regime in China has not demonstrated its willingness to fulfill the obligations contained in the Charter of the United Nations and should not be recognized to represent China in the United Nations. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.
- American citizens, discrimination. SEC. 108. It is the sense of Congress that any attempt by foreign nations to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally is repugnant to our principles; and in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this title these principles shall be applied as the President may determine.
- Availability of funds and authority. SEC. 109. The appropriations and authority with respect thereto in this Act shall be available from July 1, 1960, for the purposes provided in such appropriations and authority. All obligations incurred during the period between June 30, 1960, and the date of enactment of this Act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms thereof.
- Restriction. SEC. 110. None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or which furnishes, by grant or loan, any military or economic aid to that regime, unless the President determines that the withholding of such assistance to such country would be contrary to the national interest.
- Restriction. SEC. 111. None of the funds provided in this title shall be available for assistance to any country the government of which sells arms, ammunition, or implements of war to any country in Latin America being subjected to economic or diplomatic sanctions by the Organization of American States, unless the President determines that the withholding of such assistance to such country would be contrary to the national interest.

TITLE II—DEPARTMENT OF THE ARMY—CIVIL
FUNCTIONS

RYUKYU ISLANDS, ADMINISTRATION

For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government of the Ryukyu Islands, including, subject to such authorizations and limitations as may be prescribed by the Secretary of the Army, tuition, travel expenses, and fees incident to instruction in the United States or elsewhere of such persons as may be required to carry out the provisions of this appropriation; travel expenses and transportation; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of individuals not to exceed ten in number; not to exceed \$3,000 for contingencies for the High Commissioner, to be expended in his discretion; translation rights, photographic work, educational exhibits, and dissemination of information, including preview and review expenses incident thereto; hire of passenger motor vehicles and aircraft; purchase of three passenger motor vehicles for replacement only; construction, repair, and maintenance of buildings, utilities, facilities, and appurtenances; and such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; \$6,000,000, of which not to exceed \$1,633,000 shall be available for administrative and information expenses: *Provided*, That the general provisions of the Appropriation Act for the current fiscal year for the military functions of the Department of the Army shall apply to expenditures made from this appropriation: *Provided further*, That expenditures from this appropriation may be made outside continental United States when necessary to carry out its purposes, without regard to sections 355, 3648, and 3734, Revised Statutes, as amended, section 4774(d) of title 10, United States Code, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That expenditures may be made hereunder for the purposes of economic rehabilitation in the Ryukyu Islands in such manner as to be consistent with the general objectives of titles II and III of the Mutual Security Act of 1954, and in the manner authorized by sections 505(a) and 522(e) thereof: *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the Secretary of the Army to pay ocean transportation charges from United States ports, including territorial ports, to ports in the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such areas: *Provided further*, That under the rules and regulations to be prescribed, the Secretary of the Army shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to the Ryukyus regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals: *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred.

60 Stat. 810.

40 USC 255.
31 USC 529;
40 USC 259,
267.
70A Stat. 269.22 USC 1870,
1891, 1757,
1782.

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

The Export-Import Bank of Washington is hereby authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation, except as hereinafter provided:

61 Stat. 584.
31 USC 849.

LIMITATION ON ADMINISTRATIVE EXPENSES, EXPORT-IMPORT BANK OF WASHINGTON

Not to exceed \$2,675,000 (to be computed on an accrual basis) of the funds of the Export-Import Bank of Washington shall be available during the current fiscal year for administrative expenses of the Bank, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) at rates not to exceed \$75 per diem for individuals, purchase of one passenger motor vehicle (for replacement only) at not to exceed \$6,250, and not to exceed \$9,000 for entertainment allowances for members of the Board of Directors; and, in addition, not to exceed the equivalent of \$200,000 of the aggregate amount of foreign currencies made available to the Export-Import Bank for loans pursuant to the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be available during the current fiscal year for expenses incurred by the Export-Import Bank incident to such loans: *Provided*, That fees or dues to international organizations of credit institutions engaged in financing foreign trade and necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, shall be considered as nonadministrative expenses for the purposes hereof.

60 Stat. 810.

68 Stat. 454.
7 USC 1691
note.

TITLE IV

Short title.

SEC. 401. This Act may be cited as the "Mutual Security and Related Agencies Appropriation Act, 1961".

Approved September 2, 1960.



